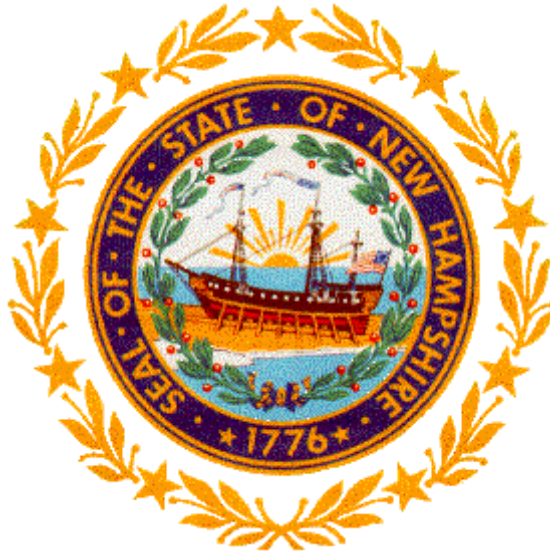


*The New Hampshire  
Department of Health and Human Services*



*GraniteCare*

*Financial Projections & Critical Assumptions*

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Concord, NH 03301*

# **GRANITECARE FINANCIAL PROJECTIONS AND CRITICAL ASSUMPTIONS**

## **I. Background and Introduction**

In reviewing New Hampshire's Medicaid program, the Department of Health and Human Services (DHHS) began by making an exhaustive systemic and financial review of the program to identify trends needed to project the future of New Hampshire's Medicaid Program. The outcomes of this analysis were not encouraging.

First, by examining Medicaid's spending direction, DHHS concluded that the program costs would rapidly begin to expand at a significant rate. This expansion would soon put substantial pressure on the State's operating budget, potentially marginalizing other spending priorities, including education, public safety and the environment. Using inflation figures from the Consumer Price Index (CPI), DHHS projected annual program costs would grow to nearly \$2 billion over 10 years. This led DHHS to question whether the financial growth in Medicaid is sustainable in the program's current form.

Second, it became evident that many of the processes developed over time to deliver Medicaid benefits were done in isolation of each other and then adapted to meet changes as they occurred. As a result, a fragmented service delivery system exists which is neither efficient nor effective.

The Department's GraniteCare proposals were developed with this knowledge of the realities of Medicaid's delivery system and financial future, after the federal Department of Health and Human Services asked DHHS to develop a Medicaid program that fits the State's unique needs. One area federal Medicaid officials specifically addressed was a need to correct New Hampshire's top-heavy bias towards nursing home care for seniors.

GraniteCare does not address this future by recommending major changes to either eligibility or benefits. Those are policy decisions that, by their nature, can only be addressed by the Legislature. Instead, GraniteCare does propose to revamp the Medicaid program while continuing the delivery of critical services to the State's citizens in need. GraniteCare proposes changes to the service delivery system for Medicaid.

DHHS views these changes as real opportunities for improving the health and well-being of those who use Medicaid as well as the seniors of the state. GraniteCare initiatives that will strengthen the services the Department offers include providing care for seniors in home and community environment, not nursing homes, giving recipients choice for where and how they get their care and creating incentive for positive health outcomes.

A true focus of GraniteCare has been to place a strong emphasis on prevention. Presently, the New Hampshire's Medicaid program waits for our recipients to become ill

and the State will then pay for services. This does not treat those who use the program with the dignity and respect they ought to get, while driving costs upward.

GraniteCare remedies this through giving each Medicaid recipient a medical home to improve quality of care, create prevention based health savings accounts with incentives to seek out care as well as providing wellness care for seniors in the State, not just those who use Medicaid. These proposals are designed to improve the efficiency within the program by moving to less expensive service alternatives, promoting competition and reducing service utilization as a result of prevention and consumer choice.

The underlying financial outcomes projected in the GraniteCare proposals for CMS' consideration are, as in any modeling exercise, built around key critical assumptions. This document presents the Department's financial projections and their underlying assumptions. As with all aspects of the GraniteCare proposal, DHHS welcomes public comment on the data, which may be submitted by e-mail to [MedicaidFeedback@dhhs.state.nh.us](mailto:MedicaidFeedback@dhhs.state.nh.us) or in writing to:

John A. Stephen, Commissioner  
Attn: Medicaid Feedback  
Department of Health and Human Services  
129 Pleasant St, Concord NH 03301.

Any federal Medicaid waiver requires a budget neutrality estimate over the course of a 5-year period. The financial information included with this document was prepared using the guidelines for this process.

The budget neutrality worksheet lists two scenarios, one with the implementation of a waiver, or waivers, and one without (i.e. keeping the program in its current form). The difference between the two shows the fiscal impact of GraniteCare on the Medicaid budget.

The net savings of GraniteCare is estimated to be about \$280 million. This includes total funds. DHHS feels these numbers are conservative for several reasons. GraniteCare does not make use of premiums, co-payments or reductions in eligibility, nor does it factor in any savings attributed to expanded "look back" provisions or increased estate recoveries. These are separate policy matters that will undoubtedly be considered by the legislature.

Additionally, this document does not consider the effects of cost shifting from the private insurance market into Medicaid or the SCHIP program, an area of concern raised by federal authorities. They have asked the State to review ways to minimize this practice. Also, GraniteCare includes the full funding and elimination of the developmental disability priority one waiting list.

Finally, GraniteCare presumes a phased in approach to the change initiatives.

This will give DHHS the opportunity to operationalize the proposal over time and build the necessary infrastructure to support this proposal.

DHHS would like to thank the Legislative Fiscal Committee for the approval to move forward to begin negotiations with the federal government on the GraniteCare proposals. Ultimately, as the branch of government charged with making policy decisions, the legislature will need to approve any final changes to Medicaid. We welcome the opportunity to assist them in the decision-making endeavor.

## II. Key Factors Underlying GraniteCare

- ❑ DHHS does not set social policy; policy makers decide. DHHS provides analysis, recommendations and options for consideration by the policy makers and all stakeholders.
- ❑ Population in the State is growing consistent with national trends, which include accelerated growth in the elderly population who are more likely to require home care and nursing home services.
- ❑ DHHS anticipates continuing pressure at the Federal level to control spending for Medicaid, further reinforcing the need for modernizing the program.
- ❑ The primary service delivery systems were designed over 25 years ago and have inefficient and redundant operations. While these systems have been subject to many changes over the years, a systemic review of the entire service delivery system has never been done until GraniteCare.
- ❑ The strategic use of information and communications technologies, which were not generally available at the time the primary systems of care were developed, is essential to enabling a greater level of integration and leads to more effective service outcomes and process efficiencies. Off-the-shelf technologies available include: personal computers, the Internet, mobile communications, personal digital assistants, database technologies, collaboration software and electronic mail.
- ❑ Integration of service delivery systems using a range of options could result in substantial operating efficiencies and effectiveness.
- ❑ GraniteCare is not a single proposal, and implementation of some aspects of GraniteCare can be done without Federal waiver approval. One example of this is the HomeCare Works initiative, which would provide opportunities for some welfare recipients to enter medical or home health care careers.
- ❑ GraniteCare proposals currently are being defined at a detailed operational level. Additional levels of detail will be developed through working with the Federal government, the Legislature and key stakeholders. However, DHHS has outlined some operational concepts for consideration, enabling stakeholders to understand the potential implications of the concept.
- ❑ GraniteCare consists of several phases including continued research and analysis, conceptual models, detailed design and future implementation, contingent, in large part, on New Hampshire legislative approval.
- ❑ GraniteCare proposals are person-centered with an emphasis on family supports. Providers are key stakeholders and are integral to the delivery of services, but they are not the focal point for the system changes.
- ❑ DHHS is implementing its own shared services model where common administrative functions support diverse program divisions and populations. DHHS seeks to achieve further community-based collaboration.
- ❑ Presently, the Medicaid program places a low emphasis on prevention, particularly for seniors, who otherwise might require nursing care. For example, adult medical day care, which offers wellness programs for many seniors, represents less than one percent of the Department's budget for elderly and adult services.

- ❑ Long-term care insurance has less than one percent market penetration in New Hampshire. Other states have done a great deal to emphasize and incentivize the purchase of this important insurance product. For instance, Nebraska has 14 percent market penetration. An increase in purchase in long-term care insurance could dramatically reduce the State's Medicaid long-term care costs. GraniteCare emphasizes prevention and responsible self-care.
- ❑ The financial projections on the following pages do not include other initiatives implemented in many other states such as co-payments, premiums or reductions in eligibility that the Legislature could enact, should it so choose, to bring additional savings to the Medicaid program.
- ❑ Financial projections are based on the positive outcomes other states have achieved through best practices.

### III. Waivers

Implementation of the major elements of GraniteCare will require a federal waiver of current Medicaid regulations. The Department is in the process of formulating the necessary documentation for a comprehensive waiver, but legislative approval is necessary before a formal waiver request can be submitted. Although there are a number of proposals in GraniteCare that do not require waiver authority, the federal Centers for Medicare and Medicaid Services (CMS) and DHHS agree that the Department must develop the necessary budget neutrality working papers in seeking a waiver. The nature and form of any waiver or waivers is still a matter for discussion and negotiation between federal and State officials and ultimately legislative approval. GraniteCare could take the form of a number of individual waivers, one significant waiver for the entire Medicaid program or a variety of possibilities in between

There have been concerns expressed that the budget neutrality limits of a Medicaid waiver would expose the State to financial risks in the event of unforeseen program cost increases. However, there are several provisions of standard waiver terms and conditions that allow renegotiation of waiver budget agreements. For example, renegotiations can protect the State in certain instances where there have been changes in the enforcement of laws and regulations, changes in federal law that affect the Medicaid program, and system-wide fee increases.

The following summarizes the data used to complete the GraniteCare projections:

- ❑ The “historical 2005” shows projected Medicaid expenditures for State Fiscal Year 2005.
- ❑ The Projections for 2006 to 2010 labeled “WOW” are “without waiver.” These project the total Medicaid expenditures should the State not pursue any waivers nor implement any provision of GraniteCare that does not require a waiver.
- ❑ Projections labeled “with waiver” include proposals requiring a waiver and those which could be implemented without a federal waiver.
- ❑ Cost and growth estimates for each segment of the program reflect actual experience from 2000 through 2005, the projections used for the Department’s Maintenance budget submitted on November 1, 2004 and modified projections that account for required increases in rates, threats of litigation and other trends.

|                         | Totals in             | Historical | 2006                    | Aggregate | 2010                    | 2006                    | Aggregate | 2010                    |
|-------------------------|-----------------------|------------|-------------------------|-----------|-------------------------|-------------------------|-----------|-------------------------|
| Total Dollars           | 2005                  | Growth     | Projections             | Growth    | Projections             | Projection              | Growth    | Projections             |
| Segment                 |                       | 00 - '05   | "WOW"                   |           | "WOW"                   | w/ Waiver               |           | w/Waiver                |
| SCHIP                   | \$ 8,424,736          | 312.11%    | \$ 10,764,056           | 119.02%   | \$ 23,575,818           | \$ 10,764,056           | 89.16%    | \$ 20,361,271           |
| POP > 133% FPL          | \$ 20,411,773         | 77.05%     | \$ 23,710,579           | 56.90%    | \$ 37,202,035           | \$ 23,710,579           | 35.51%    | \$ 32,129,626           |
| POP < 133% FPL          | \$ 353,221,957        | 78.99%     | \$ 410,261,043          | 56.53%    | \$ 642,185,289          | \$ 410,300,059          | 40.87%    | \$ 577,974,805          |
|                         |                       |            |                         |           |                         |                         |           |                         |
| Nursing Home            | \$ 237,426,900        | 78.99%     | \$ 238,065,500          | 30.11%    | \$ 309,755,732          | \$ 226,174,560          | -4.13%    | \$ 216,829,012          |
| Mid-Level               | \$ 2,331,117          | 1165.37%   | \$ 3,555,452            | 103.91%   | \$ 7,249,802            | \$ 3,555,452            | 125.65%   | \$ 8,022,835            |
| HCBC                    | \$ 27,674,640         | 86.00%     | \$ 29,111,670           | 52.16%    | \$ 44,297,538           | \$ 34,354,530           | 144.74%   | \$ 84,078,569           |
| Other Nursing Homes     | \$ 4,057,300          | 74.33%     | \$ 4,024,419            | 28.10%    | \$ 5,155,257            | \$ 4,024,419            | 28.10%    | \$ 5,155,257            |
|                         |                       |            |                         |           |                         |                         |           |                         |
| Developmental Services  | \$ 156,872,791        | 28.56%     | \$ 156,657,118          | 52.49%    | \$ 238,885,191          | \$ 153,523,976          | 47.82%    | \$ 226,940,916          |
| Medicaid to Schools     | \$ 34,000,008         | 17.35%     | \$ 35,599,977           | 34.93%    | \$ 48,034,703           | \$ 34,888,019           | 30.80%    | \$ 45,633,056           |
| Community Mental Health | \$ 72,524,203         | 5.77%      | \$ 75,850,432           | 43.64%    | \$ 108,952,187          | \$ 74,333,423           | 39.24%    | \$ 103,504,623          |
|                         |                       |            |                         |           |                         |                         |           |                         |
| NHH APS/Philbrook       | \$ 3,116,668          | 133.47%    | \$ 3,645,708            | 36.83%    | \$ 4,988,366            | \$ 3,645,708            | 36.83%    | \$ 4,988,366            |
| NHH THS                 | \$ 2,838,818          | 68.80%     | \$ 3,257,660            | 39.00%    | \$ 4,528,224            | \$ 3,257,660            | 39.00%    | \$ 4,528,224            |
| Glenclyff               | \$ 7,514,764          | -9.96%     | \$ 7,452,648            | 21.48%    | \$ 9,053,323            | \$ 7,452,648            | 12.95%    | \$ 8,418,002            |
|                         |                       |            |                         |           |                         |                         |           |                         |
| Childrens Services      | \$ 26,137,166         | 142.96%    | \$ 28,537,160           | 70.63%    | \$ 48,692,958           | \$ 28,537,160           | 70.63%    | \$ 48,692,958           |
|                         |                       |            |                         |           |                         |                         |           |                         |
| New_Pregnant Women      | \$ -                  |            | \$ -                    |           | \$ -                    | \$ 3,645,000            | 99.24%    | \$ 7,262,154            |
|                         |                       |            |                         |           |                         |                         |           |                         |
| <b>Total</b>            | <b>\$ 956,552,842</b> |            | <b>\$ 1,030,493,423</b> |           | <b>\$ 1,532,556,422</b> | <b>\$ 1,022,167,250</b> |           | <b>\$ 1,394,519,673</b> |



## IV. Critical Financial Assumptions

### A. Without Waiver

Current trends within the Medicaid program (without waiver estimates of costs) must be estimated for waiver negotiations.

- ❑ As GraniteCare involves the implementation of a number of programs across a number of Medicaid populations, CMS guidelines require the development of expenditure simulations for each population affected. For simplicity's sake, the entire Medicaid program was broken into 14 program areas. Each of these was simulated individually.
- ❑ CMS requires that estimates of trends in the Medicaid program be based on actual expenditures adjusted for any official projected modifications of those changes such as proposed legislative action or other policy initiatives.
- ❑ Trends were developed based on actual and projected changes year-to-year for 2000-2007. Data for 2005 through 2007 represent legislatively authorized expenditures adjusted for expected deficits and the maintenance budget submitted on November 1, 2004. These historical trends were then adjusted where:
  - a. policy changes resulted in significant short-term effects unrealistic to portray as long-term trends (e.g. SCHIP);
  - b. socio-demographic changes indicated historic trends were either too high or too low (e.g. growth in number of elderly receiving services);
  - c. average cost increases were less than the Department's estimates of medical inflation (4.2%).
- ❑ Expenditure estimates for 2006-2010 were developed by taking estimates of average costs and number of enrollees based on the SFY '06-07 agency maintenance request, and using Department trends to project program expenditures from 2007-2010.
- ❑ As GraniteCare involves the implementation of a number of programs across a number of Medicaid populations, CMS guidelines require the development of expenditure simulations for each population affected.
  - For simplicity's sake, the entire Medicaid program was broken into 14 program areas. Each of these was simulated individually. They are as follows:
    - ❑ Title XXI Children's Health Insurance Program (**SCHIP**)
    - ❑ Title XIX **Healthy Kids Gold**: incomes greater than or equal to 133% to 185% of Federal Poverty Level\*
    - ❑ Title XIX **Healthy Kids Gold**: incomes below 133% of Federal Poverty Level\*
    - ❑ Nursing Home
    - ❑ Mid-level care

- ❑ Home and Community Based Care/ECI
- ❑ Other nursing homes
- ❑ Developmental disabilities services: Home and Community Based Care
- ❑ Developmental disabilities services: Medicaid to Schools
- ❑ Community Mental Health
- ❑ Children's Purchased Services
- ❑ New Hampshire Hospital/Philbrook Center
- ❑ New Hampshire Hospital/Transitional Housing
- ❑ Glencliff Home for the Elderly

\* Federal Poverty Level for a family of four, \$25,070 is 133% of the FPL and \$56,550 is 300%.

| <b><u>Program Segment</u></b> | <b><u>Estimated Change in Enrollment</u></b> | <b><u>Estimate Change in Ave. Cost</u></b> |
|-------------------------------|--|--|
| SCHIP                         | <b>10.0%</b>                                 | 9.4%                                       |
| >133% to 185% FPL             | 6.4%   | 5.9%                                       |
| > 133% FPL                    | 5.0%   | 7.2%                                       |
| Nursing Home                  | <b>2.0%</b>                                  | 5.8%                                       |
| Mid-Level                     | <b>16.0%</b>                                 | <b>6.0%</b>                                |
| HCBC-ECI                      | 7.6%   | <b>4.2%</b>                                |
| Other Nursing Home            | 3.1%   | 5.1%                                       |
| Developmental Services        | 6.9%   | <b>4.2%</b>                                |
| Medicaid to Schools           | 3.8%   | <b>4.2%</b>                                |
| Community Mental Health       | <b>5.7%</b>                                  | 5.2%                                       |
| Child Protection              | 11.2%  | 6.6%                                       |
| APS/Philbrook                 | <b>5.7%</b>                                  | <b>4.2%</b>                                |
| APS/Transitional Housing      | 6.3%   | 5.0%                                       |
| Glencliff                     | 2.5%   | <b>4.2%</b>                                |

- ❑ Trends in **bold** above indicate trend rate different than the 2000-2007 budgeted amounts.
- ❑ For mental health services, enrollment trends were negative. These were adjusted to reflect population changes as the negative growth was a result of policy changes unlikely to continue.
- ❑ For nursing home services, negative trends in nursing home enrollment are unlikely to continue given population changes. Estimates reflect current participation rates with the elderly population.
- ❑ Some growth trends are high due to recent implementation of either rate changes or program expansion.
- ❑ Nursing home average costs were adjusted to reflect the Medicaid Quality Incentive Program (MQIP) changes effective in 2004.
- ❑ Growth in enrollment at Philbrook is expected to be lower than historical trends and was adjusted down to 5.7%.

## Summary of GraniteCare

| GraniteCare Summary                  |  |                  |                  |                  |                  |                  |
|--------------------------------------|--|------------------|------------------|------------------|------------------|------------------|
| Year                                 |  | 2006             | 2007             | 2008             | 2009             | 2010             |
| Total Program Without Waiver         |  | \$ 1,030,493,423 | \$ 1,109,529,473 | \$ 1,235,067,659 | \$ 1,375,227,877 | \$ 1,532,556,422 |
| Total Program With Waiver            |  | \$ 1,022,167,250 | \$ 1,063,253,806 | \$ 1,164,620,302 | \$ 1,261,324,305 | \$ 1,394,519,673 |
| Medical Cost Savings Yearly          |  | \$ 8,326,174     | \$ 46,275,668    | \$ 70,447,357    | \$ 113,903,572   | \$ 138,036,748   |
| Medical Cost Savings Cumulative      |  | \$ 8,326,174     | \$ 54,601,841    | \$ 125,049,198   | \$ 238,952,771   | \$ 376,989,519   |
| Investment Costs                     |  |                  |                  |                  |                  |                  |
| Health Services Accounts Incentives  |  | \$ 1,331,000     | \$ 2,826,375     | \$ 3,043,164     | \$ 3,277,436     | \$ 3,530,672     |
| PCCM                                 |  | \$ -             | \$ 6,738,876     | \$ 7,407,282     | \$ 8,143,157     | \$ 8,953,471     |
| Information Technology               |  | \$ 3,000,000     | \$ 5,000,000     | \$ 5,000,000     | \$ 5,000,000     | \$ 5,000,000     |
| Single Point of Entry                |  | \$ 1,500,000     | \$ 3,000,000     | \$ 3,000,000     | \$ 3,000,000     | \$ 3,000,000     |
| Evidence Based Practice              |  | \$ 1,500,000     | \$ 1,300,000     | \$ 1,300,000     | \$ -             | \$ -             |
| Elder Care Prevention                |  | \$ 937,500       | \$ 1,465,313     | \$ 1,526,856     | \$ 1,909,180     | \$ 2,210,406     |
| Total Investment Costs               |  | \$ 8,268,500     | \$ 20,330,564    | \$ 21,277,302    | \$ 21,329,773    | \$ 22,694,549    |
| Total with Waiver & Investment Costs |  | \$ 1,030,435,750 | \$ 1,083,584,370 | \$ 1,185,897,604 | \$ 1,282,654,078 | \$ 1,417,214,222 |
| Net Yearly Savings                   |  | \$ 57,674        | \$ 25,945,104    | \$ 49,170,055    | \$ 92,573,799    | \$ 115,342,199   |
| Cumulative Savings                   |  | \$ 57,674        | \$ 26,002,777    | \$ 75,172,832    | \$ 167,746,632   | \$ 283,088,831   |

## GRANITECARE PROPOSALS

### I. Rebalancing the Long Term Care System

The long-term care rebalancing proposals include the following major components:

- ❑ **Diversion:** a process to divert potential recipients from most expensive nursing care settings to less expensive and more flexible community-based care options
- ❑ **Community Infrastructure Development:** the design and development of a continuum of care options to accommodate greater numbers of recipients, including mid-level care, other family supports and related social services
- ❑ **HomeCare Works:** the provision of opportunities for some welfare recipients to enter medical or home health care careers
- ❑ **Assessment Tool:** the design, development and uniform implementation of a standardized assessment tool for all potential recipients of long-term care services
- ❑ **Individual Incentives:** a means to create various forms of incentives for New Hampshire citizens to procure long-term care insurance
- ❑ **Prevention and Wellness:** the design and implementation of a wide range of wellness and prevention programs, such as fall prevention, to address key factors contributing to nursing level care
- ❑ **Education:** an effort to ensure the availability and access to information for potential recipients and their families to make informed choices
- ❑ **SPE (Single Point of Entry) Linkage:** the migration of the front end of the system into regional “single point of entry resource centers”
- ❑ **Individual Budgets**
- ❑ **Recipient Choice**

The financial model simulates long-term care expenditures for nursing home, mid-level and home and community based care. Key variables in the financial model include:

- ❑ Recipient enrollments
- ❑ Average cost per recipient
- ❑ Aggregate baseline expenditures in New Hampshire
- ❑ Inflation
- ❑ Medicaid Quality Incentive Program (MQIP) payments

#### A. Financial Assumptions

- ❑ A phased implementation period begins on July 1, 2005.
- ❑ New Hampshire’s long-term care system relies heavily on expensive nursing home services and is a major concern of the Centers for Medicare and Medicaid Services (CMS). By all measures, New Hampshire is out of step with the nation.
- ❑ Over a five-year period, GraniteCare will reduce nursing home enrollments on a yearly basis by the following cumulative amounts:
  - Year 1            5%
  - Year 2            10%

- Year 3            13%
  - Year 4            23%
  - Year 5            30%
  - Year 6            30%
- These are targets and reflect the time required to plan, design and implement the community based care infrastructure needed to support greater numbers of recipients in the community.
- For Federal Fiscal Year 2002, New Hampshire was ranked 22<sup>nd</sup> in the nation with 7,542 beneficiaries using nursing home services or 50.2 per 1,000 elderly over the age of 65. A 30% reduction would rank New Hampshire 40<sup>th</sup> in the nation, based on today's figures, with a projected 35.1 per 1,000 elderly over the age of 65. However, other states are implementing similar initiatives to reduce reliance on nursing home care.
- Home and Community Based Care (HCBC) enrollment grows 18% per year.
- HCBC average costs grow at 6% per year and reflect fee increases for critical access home care
- Mid-level growth is projected to be 16% per year beginning July 1, 2006
- The Medicaid Quality Incentive Program (MQIP) effectively increases nursing home rates by 18%.
- The Elderly Fall Prevention Program will phase in beginning in July 2005. Key assumptions supporting projected costs include:
  - The program is targeted to all seniors, not just those eligible for HCBC or nursing home level of care.
  - Projected maximum targeted population is 3,000 per year
  - Per recipient costs are estimated at \$625 per recipient. These costs will increase at 4.2% per year.
  - The financials assume that the program will expand to the full capacity over the five-year period as follows:
    - 2006            1,500 recipients
    - 2007            2,250 recipients
    - 2008            2,250 recipients
    - 2009            2,700 recipients
    - 2010            3,000 recipients
- The nursing home population turns over roughly every 2.5 years.
- HCBC/ECI and nursing home slots will grow at a rate equal to that of the over 85- population segment in the State or about 2%.
- Cost increases per year are assumed to establish and maintain rates at levels to encourage current existing and new partners to participate in the program.
- The model reflects costs and projections for nursing home care, mid-level care and home and community based care. The models do not reflect the costs of related medical and prescription drug expenditures. Those are modeled in the Managing Care initiative on page 25.
- Investments will be required to develop a home and community based infrastructure. Infrastructure includes workforce recruitment and development, and a range of social and support services including transportation. Investments costs are embedded in the projected costs with waiver costs.

- ❑ A standardized and uniformly applied assessment process, along with changes to the level of care requirements, for all access (public and private) to both nursing home and home and community based care programs will be developed and implemented by July 1, 2005.

## B. Operational Assumptions

- ❑ The implementation of the concept will be phased in beginning July 1, 2005.
- ❑ GraniteCare does not propose to remove current residents from nursing homes.
- ❑ Investments will be required to develop a home and community based infrastructure. Infrastructure includes workforce recruitment and development and a range of social and support services including transportation.
- ❑ The current service delivery system supporting families and people with disabilities is a significant asset upon which the State can build. Strong interest in expanding services to the State's elder citizens has been shown by many of the Developmental Disabilities Area Agencies.
- ❑ The infrastructure must be in place prior to diversion of recipients to nursing home alternatives.
- ❑ A standardized and uniformly applied assessment process, along with changes to the level of care requirements, for all access (public and private) to both nursing home and home and community based care programs will be developed and implemented.
- ❑ Every recipient will have an individual budget established at the point of system entry.
- ❑ The full impact of the concept is dependent upon the implementation of the Single Point of Entry system.
- ❑ There are no caps on the number of nursing home beds or on home and community based care waiver slots.
- ❑ Nursing home level of care will be available for those who need it.
- ❑ DHHS will provide technical assistance to senior centers
- ❑ Increased "look-back" periods together with greater use of long-term insurance will help in reducing the percentage of nursing home residents who rely solely on Medicaid as a payment source.
- ❑ The State will reduce the cap on allowable Medicaid nursing home beds in the State Medicaid Plan to ensure that back-filling of beds does not occur when more people are diverted to alternative care options.

## C. Other Information

- ❑ Since 2000, New Hampshire has experienced a real 6% reduction in nursing home beds reflecting the impact of \$12M investment in home and community based care services made by the Legislature. An investment 5 times that amount over the next 5 years will result in further reductions and significantly higher savings.
- ❑ Community based care is preferred by recipients and their families over nursing home care when those alternatives exist, based upon several surveys, most notably those by the AARP.

## D. Summary Financial Data - Nursing Home Segment

| <b>Nursing Home-Historical</b>     | <b>2000</b>    | <b>2001</b>    | <b>2002</b>    | <b>2003</b>    | <b>2004</b>    | <b>2005</b>    |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Historical: 2000-2005</b>       |                |                |                |                |                |                |
| Enrollment                         | 5,114          | 4,967          | 4,878          | 4,808          | 4,861          | 4,850          |
| Annual Growth Rate                 |                | -2.87%         | -1.79%         | -1.44%         | 1.10%          | -0.23%         |
| Growth 2000 to 2005                |                |                |                |                |                | -5.16%         |
| Average Cost                       | \$ 34,976.00   | \$ 35,296.00   | \$ 35,993.00   | \$ 38,975.00   | \$ 47,922.00   | \$ 48,954.00   |
| Annual Growth Rate                 |                | 0.91%          | 1.97%          | 8.28%          | 22.96%         | 2.15%          |
| Growth 2000 to 2005                |                |                |                |                |                | 39.96%         |
| Total Cost                         | \$ 178,867,264 | \$ 175,315,232 | \$ 175,573,854 | \$ 187,391,800 | \$ 232,948,842 | \$ 237,426,900 |
| Annual Growth Rate                 |                | -1.99%         | 0.15%          | 6.73%          | 24.31%         | 1.92%          |
| Growth 2000 to 2005                |                |                |                |                |                | 32.74%         |
| <b>Nursing Home-Without Waiver</b> | <b>2006</b>    | <b>2007</b>    | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    |                |
| <b>Projections: 2006-2010</b>      |                |                |                |                |                |                |
| Enrollment                         | 4,825          | 4,817          | 4,913          | 5,010          | 5,110          |                |
| Annual Growth Rate                 |                | -0.17%         | 1.99%          | 1.97%          | 2.00%          |                |
| Growth 2006 to 2010                |                |                |                |                | 5.91%          |                |
| Average Cost                       | \$ 49,340.00   | \$ 51,154.00   | \$ 54,131.81   | \$ 57,282.97   | \$ 60,617.56   |                |
| Annual Growth Rate                 |                | 3.68%          | 5.82%          | 5.82%          | 5.82%          |                |
| Growth 2006 to 2010                |                |                |                |                | 22.86%         |                |
| Total Cost                         | \$ 238,065,500 | \$ 246,408,818 | \$ 265,949,583 | \$ 286,987,680 | \$ 309,755,732 |                |
| Annual Growth Rate                 |                | 3.50%          | 7.93%          | 7.91%          | 7.93%          |                |
| Growth 2006 to 2010                |                |                |                |                | 30.11%         |                |
| <b>Nursing Home-With Waiver</b>    | <b>2006</b>    | <b>2007</b>    | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    |                |
| <b>Projections: 2006-2010</b>      |                |                |                |                |                |                |
| Enrollment                         | 4,584          | 4,335          | 4,274          | 3,858          | 3,577          |                |
| Annual Growth Rate                 |                | -5.43%         | -1.41%         | -9.73%         | -7.28%         |                |
| Growth 2006 to 2010                |                |                |                |                | -21.97%        |                |
| Average Cost                       | \$ 49,340.00   | \$ 51,154.00   | \$ 54,131.81   | \$ 57,282.97   | \$ 60,617.56   |                |
| Annual Growth Rate                 |                | 3.68%          | 5.82%          | 5.82%          | 5.82%          |                |
| Growth 2006 to 2010                |                |                |                |                | 22.86%         |                |
| Total Cost                         | \$ 226,174,560 | \$ 221,752,590 | \$ 231,359,356 | \$ 220,997,698 | \$ 216,829,012 |                |
| Annual Growth Rate                 |                | -1.96%         | 4.33%          | -4.48%         | -1.89%         |                |
| Growth 2006 to 2010                |                |                |                |                | -4.13%         |                |

## Mid-Level Care Segment

| <b>Mid Level-Historical</b>     | <b>2000</b>  | <b>2001</b>  | <b>2002</b>  | <b>2003</b>  | <b>2004</b>  | <b>2005</b>  |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Historical: 2000-2005</b>    |              |              |              |              |              |              |
| Enrollment                      | 38           | 96           | 152          | 159          | 141          | 179          |
| Annual Growth Rate              |              | 152.63%      | 58.33%       | 4.61%        | -11.32%      | 26.95%       |
| Growth 2000 to 2005             |              |              |              |              |              | 371.05%      |
| Average Cost                    | \$ 4,848.00  | \$ 7,105.00  | \$ 7,774.00  | \$ 7,802.00  | \$ 8,600.00  | \$ 13,023.00 |
| Annual Growth Rate              |              | 46.56%       | 9.42%        | 0.36%        | 10.23%       | 51.43%       |
| Growth 2000 to 2005             |              |              |              |              |              | 168.63%      |
| Total Cost                      | \$ 184,224   | \$ 682,080   | \$ 1,181,648 | \$ 1,240,518 | \$ 1,212,600 | \$ 2,331,117 |
| Annual Growth Rate              |              | 270.24%      | 73.24%       | 4.98%        | -2.25%       | 92.24%       |
| Growth 2000 to 2005             |              |              |              |              |              | 1165.37%     |
| <b>Mid Level-Without Waiver</b> | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  |              |
| <b>Projections: 2006-2010</b>   |              |              |              |              |              |              |
| Enrollment                      | 212          | 222          | 258          | 299          | 347          |              |
| Annual Growth Rate              |              | 4.72%        | 16.22%       | 15.89%       | 16.05%       |              |
| Growth 2006 to 2010             |              |              |              |              | 63.68%       |              |
| Average Cost                    | \$ 16,771.00 | \$ 17,542.00 | \$ 18,594.52 | \$ 19,710.19 | \$ 20,892.80 |              |
| Annual Growth Rate              |              | 4.60%        | 6.00%        | 6.00%        | 6.00%        |              |
| Growth 2006 to 2010             |              |              |              |              | 24.58%       |              |
| Total Cost                      | \$ 3,555,452 | \$ 3,894,324 | \$ 4,797,386 | \$ 5,893,347 | \$ 7,249,802 |              |
| Annual Growth Rate              |              | 9.53%        | 23.19%       | 22.84%       | 23.02%       |              |
| Growth 2006 to 2010             |              |              |              |              | 103.91%      |              |
| <b>Mid Level-With Waiver</b>    | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  |              |
| <b>Projections: 2006-2010</b>   |              |              |              |              |              |              |
| Enrollment                      | 212          | 246          | 285          | 331          | 384          |              |
| Annual Growth Rate              |              | 16.04%       | 15.85%       | 16.14%       | 16.01%       |              |
| Growth 2006 to 2010             |              |              |              |              | 81.13%       |              |
| Average Cost                    | \$ 16,771.00 | \$ 17,542.00 | \$ 18,594.52 | \$ 19,710.19 | \$ 20,892.80 |              |
| Annual Growth Rate              |              | 4.60%        | 6.00%        | 6.00%        | 6.00%        |              |
| Growth 2006 to 2010             |              |              |              |              | 24.58%       |              |
| Total Cost                      | \$ 3,555,452 | \$ 4,315,332 | \$ 5,299,438 | \$ 6,524,073 | \$ 8,022,835 |              |
| Annual Growth Rate              |              | 21.37%       | 22.80%       | 23.11%       | 22.97%       |              |
| Growth 2006 to 2010             |              |              |              |              | 125.65%      |              |



## HCBC-ECI Segment

| <b>HCBC/ECI-Historical</b>     | <b>2000</b>   | <b>2001</b>   | <b>2002</b>   | <b>2003</b>   | <b>2004</b>   | <b>2005</b>   |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Historical: 2000-2005</b>   |               |               |               |               |               |               |
| Enrollment                     | 1,318         | 1,554         | 1,731         | 1,876         | 1,940         | 2,040         |
| Annual Growth Rate             |               | 17.91%        | 11.39%        | 8.38%         | 3.41%         | 5.15%         |
| Growth 2000 to 2005            |               |               |               |               |               | 54.78%        |
| Average Cost                   | \$ 11,289.00  | \$ 10,855.00  | \$ 11,241.00  | \$ 11,425.00  | \$ 12,970.00  | \$ 13,566.00  |
| Annual Growth Rate             |               | -3.84%        | 3.56%         | 1.64%         | 13.52%        | 4.60%         |
| Growth 2000 to 2005            |               |               |               |               |               | 20.17%        |
| Total Cost                     | \$ 14,878,902 | \$ 16,868,670 | \$ 19,458,171 | \$ 21,433,300 | \$ 25,161,800 | \$ 27,674,640 |
| Annual Growth Rate             |               | 13.37%        | 15.35%        | 10.15%        | 17.40%        | 9.99%         |
| Growth 2000 to 2005            |               |               |               |               |               | 86.00%        |
| <b>HCBC/ECI-Without Waiver</b> | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |               |
| <b>Projections: 2006-2010</b>  |               |               |               |               |               |               |
| Enrollment                     | 2,110         | 2,180         | 2,345         | 2,523         | 2,713         |               |
| Annual Growth Rate             |               | 3.32%         | 7.57%         | 7.59%         | 7.53%         |               |
| Growth 2006 to 2010            |               |               |               |               | 28.58%        |               |
| Average Cost                   | \$ 13,797.00  | \$ 14,432.00  | \$ 15,038.14  | \$ 15,669.75  | \$ 16,327.88  |               |
| Annual Growth Rate             |               | 4.60%         | 4.20%         | 4.20%         | 4.20%         |               |
| Growth 2006 to 2010            |               |               |               |               | 18.34%        |               |
| Total Cost                     | \$ 29,111,670 | \$ 31,461,760 | \$ 35,264,438 | \$ 39,534,779 | \$ 44,297,538 |               |
| Annual Growth Rate             |               | 8.07%         | 12.09%        | 12.11%        | 12.05%        |               |
| Growth 2006 to 2010            |               |               |               |               | 52.16%        |               |
| <b>HCBC/ECI-With Waiver</b>    | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |               |
| <b>Projections: 2006-2010</b>  |               |               |               |               |               |               |
| Enrollment                     | 2,490         | 2,938         | 3,467         | 4,091         | 4,827         |               |
| Annual Growth Rate             |               | 17.99%        | 18.01%        | 18.00%        | 17.99%        |               |
| Growth 2006 to 2010            |               |               |               |               | 93.86%        |               |
| Average Cost                   | \$ 13,797.00  | \$ 14,264.82  | \$ 15,502.31  | \$ 16,432.45  | \$ 17,418.39  |               |
| Annual Growth Rate             |               | 3.39%         | 8.68%         | 6.00%         | 6.00%         |               |
| Growth 2006 to 2010            |               |               |               |               | 26.25%        |               |
| Total Cost                     | \$ 34,354,530 | \$ 41,910,041 | \$ 53,746,509 | \$ 67,225,153 | \$ 84,078,569 |               |
| Annual Growth Rate             |               | 21.99%        | 28.24%        | 25.08%        | 25.07%        |               |
| Growth 2006 to 2010            |               |               |               |               | 144.74%       |               |

## Other Nursing Home Segment

|                                |              |              |              |              |              |              |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Other NH-Historical</b>     | <b>2000</b>  | <b>2001</b>  | <b>2002</b>  | <b>2003</b>  | <b>2004</b>  | <b>2005</b>  |
| <b>Historical: 2000-2005</b>   |              |              |              |              |              |              |
| Enrollment                     | 40           | 39           | 42           | 42           | 45           | 50           |
| Annual Growth Rate             |              | -2.50%       | 7.69%        | 0.00%        | 7.14%        | 11.11%       |
| Growth 2000 to 2005            |              |              |              |              |              | 25.00%       |
| Average Cost                   | \$ 58,183.00 | \$ 64,496.00 | \$ 70,978.00 | \$ 75,771.00 | \$ 81,620.00 | \$ 81,146.00 |
| Annual Growth Rate             |              | 10.85%       | 10.05%       | 6.75%        | 7.72%        | -0.58%       |
| Growth 2000 to 2005            |              |              |              |              |              | 39.47%       |
| Total Cost                     | \$ 2,327,320 | \$ 2,515,344 | \$ 2,981,076 | \$ 3,182,382 | \$ 3,672,900 | \$ 4,057,300 |
| Annual Growth Rate             |              | 8.08%        | 18.52%       | 6.75%        | 15.41%       | 10.47%       |
| Growth 2000 to 2005            |              |              |              |              |              | 74.33%       |
| <b>Other NH-Without Waiver</b> | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  |              |
| <b>Projections: 2006-2010</b>  |              |              |              |              |              |              |
| Enrollment                     | 49           | 49           | 51           | 52           | 54           |              |
| Annual Growth Rate             |              | 0.00%        | 4.08%        | 1.96%        | 3.85%        |              |
| Growth 2006 to 2010            |              |              |              |              | 10.20%       |              |
| Average Cost                   | \$ 82,131.00 | \$ 82,131.00 | \$ 86,355.55 | \$ 90,797.40 | \$ 95,467.72 |              |
| Annual Growth Rate             |              | 0.00%        | 5.14%        | 5.14%        | 5.14%        |              |
| Growth 2006 to 2010            |              |              |              |              | 16.24%       |              |
| Total Cost                     | \$ 4,024,419 | \$ 4,024,419 | \$ 4,404,133 | \$ 4,721,465 | \$ 5,155,257 |              |
| Annual Growth Rate             |              | 0.00%        | 9.44%        | 7.21%        | 9.19%        |              |
| Growth 2006 to 2010            |              |              |              |              | 28.10%       |              |
| <b>Other NH-With Waiver</b>    | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  |              |
| <b>Projections: 2006-2010</b>  |              |              |              |              |              |              |
| Enrollment                     | 49           | 49           | 51           | 52           | 54           |              |
| Annual Growth Rate             |              | 0.00%        | 4.08%        | 1.96%        | 3.85%        |              |
| Growth 2006 to 2010            |              |              |              |              | 10.20%       |              |
| Average Cost                   | \$ 82,131.00 | \$ 82,131.00 | \$ 86,355.55 | \$ 90,797.40 | \$ 95,467.72 |              |
| Annual Growth Rate             |              | 0.00%        | 5.14%        | 5.14%        | 5.14%        |              |
| Growth 2006 to 2010            |              |              |              |              | 16.24%       |              |
| Total Cost                     | \$ 4,024,419 | \$ 4,024,419 | \$ 4,404,133 | \$ 4,721,465 | \$ 5,155,257 |              |
| Annual Growth Rate             |              | 0.00%        | 9.44%        | 7.21%        | 9.19%        |              |
| Growth 2006 to 2010            |              |              |              |              | 28.10%       |              |

## II. Single Point of Entry (SPE) Resource Centers

The Single Point of Entry Resource Center concept has the following major components:

- ❑ **Information Resource Center:** focal point for information on recipient choices, resource and benefit availability
- ❑ **Prescreening and Triage:**
- ❑ **Comprehensive Assessment and Eligibility Determination:**
- ❑ **Individual Recipient Budget:**
- ❑ **Choice**
- ❑ **Care Coordination**
- ❑ **Enabling Information Systems:**

Key variables in the financial model include:

- ❑ Baseline expenses for each of the three systems
- ❑ Baseline expenses for functions in the SPE
- ❑ Recipients and caseloads

### A. Financial Assumptions

- ❑ A single organizational structure and integrated data platform in the provision of Single Point of Entry services will result in both efficiency and managerial and budget flexibility.
- ❑ Funding the single point of entry system comes largely through the realignment of the existing service delivery systems. Additional investment costs are projected as follows:
  - 2006                 \$1,500,000
  - 2007                 \$3,000,000
  - 2008                 \$3,000,000
  - 2009                 \$3,000,000
  - 2010                 \$3,000,000

### B. Operational Assumptions

- ❑ The Single Point of Entry (SPE) will be an organization under contract with DHHS to assess, diagnose, create a treatment and financial plan, and ensure services required by clinically eligible recipients with behavioral health needs, developmental disability needs, and/or long term care needs associated with aging.
- ❑ There are considerable similarities and specific needs of specialization in the assessment, planning, annual treatment plan review, and care management of all home and community based

- ❑ There are clinical benefits and cost efficiency of documented comprehensive care management collaboration between and among primary care medical services, long-term care and behavioral health care recovery services and co-morbid conditions.
- ❑ There is significant value in using standardized knowledge-based best practices in the assessment, treatment planning, and review processes and the use of state of the art disability specific assessment professionals and relevant assessment instruments and tests as needed.
- ❑ There is significant value in efficient care coordination, outcomes evaluation, and individual care plan financial monitoring based on continuing or changed needs and effectiveness of service delivery.
- ❑ A single organizational structure and integrated data platform in the provision of Single Point of Entry services will result in both efficiency and managerial and budget flexibility.
- ❑ The SPE envisions decoupling assessment, individual treatment and financial planning, and annual treatment plan review from the provider system(s) while ensuring the continuation of the safety net in the local community.
- ❑ Care coordination will assist the recipient with making available service provider choices, follow-up, transportation, access to and collaboration with co-occurring treatment services, primary care collaboration and access to preventive and routine medical services.
- ❑ The Single Point of Entry organization will develop an annual Medical Report Card which will measure the degree to which recipients met the outcome goals of their long term care/ behavioral health recovery treatment plan.
- ❑ The care coordinator will assure and assist the individual recipient with the choice of available providers and will monitor access and utilization
- ❑ There will be a clear delineation of “care coordination” or “care management” which resides in the SPE from the direct service functions of “case management.”
- ❑ An information resource center is at the heart of the SPE and will provide information on a range of topics including
  - Wellness and prevention
  - Education and counseling
  - Financial responsibility for addressing the cost of long-term care
  - Available community social services
- ❑ Provisions will be made for the resource centers to implement the requirements for the Medicare Part D program
- ❑ The administration of the individual budget will follow the Federal “cash and counseling” model
- ❑ A phased implementation is anticipated:
  - Phase 1, targeted pilot implementations in select regions
  - Phase 2, integration of the elder services and the developmental services populations into the resource center
  - Phase 3, integration of primary care with the behavioral health services population
  - Phase 4, further integration of other populations into the resource center

- ❑ Existing community resources such as Service Link and the Aging and Disability Resource Centers (ADRC) will be integrated into the SPE
- ❑ Individual budgets driven by the SPE require DHHS approval
- ❑ DHHS will not operate the SPE

### III. Managing Care

There are several key elements of the managing care conceptual model:

- ❑ **Medical Home:** for all Medicaid recipients
- ❑ **Disease Management**
- ❑ **Primary Care Case Management**
- ❑ **Pay for Performance System**
- ❑ **Medical Report Cards**
- ❑ **Care Coordination Organization**

The financial model simulates acute care expenditures, including pharmaceutical and other major medical services, and the impact of implementing a comprehensive care management system. Key variables in the financial model include:

- ❑ Baseline expenditures in New Hampshire
- ❑ Number of recipients (unduplicated count for State Fiscal Year 2004)
- ❑ Caseloads
- ❑ Per Member Per Month cost for implementation of a comprehensive care management system across the entire Medicaid recipient base including those with a Health Services Account
- ❑ Return on investment from a comprehensive care management strategy

#### A. Financial Assumptions

- ❑ Primary Care Case Management costs on a per member per month basis are projected at \$4.50 in the first year with these costs growing at 4.2% per year as follows:
  - 2006                Not applicable
  - 2007                \$4.50
  - 2008                \$4.69
  - 2009                \$4.89
  - 2010                \$5.09
- ❑ First year implementation will see no significant savings.
- ❑ Savings will be realized through the combined impacts of the medical home for each recipient, and the implementations of a disease management program and primary care case management.
- ❑ These combined factors project a reduction off trends of approximately 18.2%. This is based on the experience in other states with managed care as well as operational data from the New Hampshire SCHIP program. The GraniteCare program projects a more modest 10% impact on cost trends. The impact of these benefits will be phased in over the five-year period.

- 2006 will see minimal impact as the program implementation is effective July 1, 2006
  - 2007 will see 50% of the impact for a reduction of 5% off trend
  - 2008 will see 75% of the impact for a reduction of 7.5% off trend
  - 2009 and beyond will see the full impact for a 10% reduction off trend
- Rates will be enhanced with a “pay for performance” reimbursement system.

## B. Critical Assumptions

- The vision of the managing care concept is patient-level care coordination from prevention to end-of-life care; bridging financial and clinical management, fostering accountability for financial and health outcomes by aligning payment with performance, and coordinating benefits across the spectrum of DHHS services.
- Two strategies are anticipated: (1) managing the care of Medicaid recipients through a care coordination vendor, and (2) a provider pay for performance system through a strategy of primary care case management.

## C. Managing Care

- There will be management of care via comprehensive care coordination:
  - DHHS will competitively contract with a vendor or vendors for comprehensive care coordination services. These services would comprise the high level administrative functions that health insurers normally conduct.
  - Care coordination will include both financial and clinical aspects integrated at the recipient level. This high-level care coordination will coordinate services across various other case management activities within DHHS programs to improve outcomes and reduce duplication of services.
  - Comprehensive care coordination would consist of the following components:
    - Coordination of various contracts for disease management, case management and utilization management.
    - High cost, high complexity case management using predictive modeling and an individualized intervention plan.
    - Linking recipients and providers to various DHHS programs and services. These include public health programs, immunization, home visiting, transportation, translation, elderly prevention services, substance abuse, and other programs.
    - Support to clients enrolled in Medicaid HSA
    - Provide recipient-level data and provider-level data to populate Medical report cards
- Services are best coordinated through a contracted vendor, structured explicitly to combine clinical and financial aspects by creating ownership and accountability for both financial and health outcomes. Options include a risk-based contract, or

a performance-based contract where the vendor is reimbursed on both health and cost saving measures

#### D. Payment for Performance via Primary Care Case Management

- ❑ Primary Care Case Management (PCCM) will be used to set a reimbursement methodology that maintains an adequate provider network, provides incentives for providers and holds providers accountable for health and financial outcomes.
- ❑ Using provider report card data from the care coordination vendor and from internal DHHS systems, the PCCM can provide enhanced reimbursement to providers based on health and financial outcomes. A tiered rate to additionally reward providers who see a large proportion of Medicaid clients could be added as well.
- ❑ There is potential for enhanced collaboration between Medicaid and some large systems of care for some specific processes or outcomes such as improved access to refugee health services, decreased emergency visits, etc.
- ❑ The implementation of a comprehensive care management approach is assumed for all acute care services required by the entire Medicaid recipient base. These include services provided to recipients with developmental disabilities, with severe and persistent mental illness and other eligible recipients.
- ❑ Providers are paid under existing Medicaid fee schedules
- ❑ DHHS will develop and deploy tools to actively profile the contracted PCCM organization(s) in order to select the most effective physicians from cost control and quality of care perspectives
- ❑ DHHS will provide technical assistance to help Federally Qualified Health Centers (FQHCs) to become PCCM providers
- ❑ PCCM physicians will require extensive information, technical assistance, authority to direct care, and tools to control costs.
  - These tools are not yet developed or in place and will require information technology investments
- ❑ Contract will provide educational support for recipients with a Health Services Account.
- ❑ First year implementation will see no significant savings. Savings are realized beginning in the second year and beyond.
- ❑ Rates will be enhanced with a “pay for performance” reimbursement system

#### E. Service Efficiencies

- ❑ A phased reduction in average costs to serve recipients of mental health services is projected. The primary cost efficiencies are based on a more aggressive management of mental health services. Other efficiencies are expected through greater level of integration of the service delivery systems for mental health, developmental services and elder services as well as stronger linkage to primary care. The projected average cost per recipient reductions are estimated as follows:
  - 2006                      2%
  - 2007                      4%



- 2008 5%
- 2009 5%
- 2010 5%
- Investments are required for the implementation of the evidence based practice reimbursement method. These include costs for research, training, implementation and evaluation. Estimated investment costs per year are as follows:
  - 2006 \$1,500,000
  - 2007 \$1,300,000
  - 2008 \$1,300,000
- A phased reduction in average costs to serve recipients of developmental services is projected. The primary cost efficiencies are due to integration of the front-end assessment and care planning functions, impacts of more coordinated care management and other operating efficiencies due to service delivery system integration and merging of agencies. The projected average cost per recipient reductions are projected as HCBC-DD financial impacts, costs for developmental services will decline over the five year period
  - 2006 2%
  - 2007 4%
  - 2008 5%
  - 2009 5%
  - 2010 5%

## SCHIP

| <b>SCHIP-Historical</b>       | <b>2000</b>   | <b>2001</b>   | <b>2002</b>   | <b>2003</b>   | <b>2004</b>   | <b>2005</b>  |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|--------------|
| <b>Historical: 2000-2005</b>  |               |               |               |               |               |              |
| Enrollment                    | 2,093         | 3,293         | 4,214         | 5,508         | 6,171         | 6,776        |
| Annual Growth Rate            |               | 57.33%        | 27.97%        | 30.71%        | 12.04%        | 9.80%        |
| Growth 2000 to 2005           |               |               |               |               |               | 223.75%      |
| Average Cost                  | \$ 976.74     | \$ 1,126.29   | \$ 1,275.84   | \$ 927.24     | \$ 1,165.56   | \$ 1,243.32  |
| Annual Growth Rate            |               | 15.31%        | 13.28%        | -27.32%       | 25.70%        | 6.67%        |
| Growth 2000 to 2005           |               |               |               |               |               | 27.29%       |
| Total Cost                    | \$ 2,044,317  | \$ 3,708,873  | \$ 5,376,390  | \$ 5,107,238  | \$ 7,192,671  | \$ 8,424,736 |
| Annual Growth Rate            |               | 81.42%        | 44.96%        | -5.01%        | 40.83%        | 17.13%       |
| Growth 2000 to 2005           |               |               |               |               |               | 312.11%      |
|                               |               |               |               |               |               |              |
| <b>SCHIP-Without Waiver</b>   |               |               |               |               |               |              |
| <b>Projections: 2006-2010</b> | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |              |
| Enrollment                    | 7,436         | 8,091         | 8,900         | 9,790         | 10,769        |              |
| Annual Growth Rate            |               | 8.81%         | 10.00%        | 10.00%        | 10.00%        |              |
| Growth 2006 to 2010           |               |               |               |               | 44.82%        |              |
| Average Cost                  | \$ 1,447.56   | \$ 1,673.04   | \$ 1,829.93   | \$ 2,001.53   | \$ 2,189.23   |              |
| Annual Growth Rate            |               | 15.58%        | 9.38%         | 9.38%         | 9.38%         |              |
| Growth 2006 to 2010           |               |               |               |               | 51.24%        |              |
| Total Cost                    | \$ 10,764,056 | \$ 13,536,567 | \$ 16,286,377 | \$ 19,594,979 | \$ 23,575,818 |              |
| Annual Growth Rate            |               | 25.76%        | 20.31%        | 20.32%        | 20.32%        |              |
| Growth 2006 to 2010           |               |               |               |               | 119.02%       |              |
|                               |               |               |               |               |               |              |
| <b>SCHIP-With Waiver</b>      |               |               |               |               |               |              |
| <b>Projections: 2006-2010</b> | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |              |
| Enrollment                    | 7,436         | 8,091         | 8,900         | 9,790         | 10,769        |              |
| Annual Growth Rate            |               | 8.81%         | 10.00%        | 10.00%        | 10.00%        |              |
| Growth 2006 to 2010           |               |               |               |               | 44.82%        |              |
| Average Cost                  | \$ 1,447.56   | \$ 1,558.98   | \$ 1,642.80   | \$ 1,728.63   | \$ 1,890.73   |              |
| Annual Growth Rate            |               | 7.70%         | 5.38%         | 5.22%         | 9.38%         |              |
| Growth 2006 to 2010           |               |               |               |               | 30.61%        |              |
| Total Cost                    | \$ 10,764,056 | \$ 12,613,707 | \$ 14,620,920 | \$ 16,923,288 | \$ 20,361,271 |              |
| Annual Growth Rate            |               | 17.18%        | 15.91%        | 15.75%        | 20.32%        |              |
| Growth 2006 to 2010           |               |               |               |               | 89.16%        |              |
|                               |               |               |               |               |               |              |

# <133% FPL

|                                   |                |                |                |                |                |                |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>&lt;133%FPL-Historical</b>     | <b>2000</b>    | <b>2001</b>    | <b>2002</b>    | <b>2003</b>    | <b>2004</b>    | <b>2005</b>    |
| <b>Historical: 2000-2005</b>      |                |                |                |                |                |                |
| Enrollment                        | 72,670         | 73,577         | 78,084         | 84,021         | 88,877         | 93,108         |
| Annual Growth Rate                |                | 1.25%          | 6.13%          | 7.60%          | 5.78%          | 4.76%          |
| Growth 2000 to 2005               |                |                |                |                |                | 28.12%         |
| Average Cost                      | \$ 2,715.60    | \$ 2,937.24    | \$ 3,189.36    | \$ 3,341.52    | \$ 3,466.08    | \$ 3,793.68    |
| Annual Growth Rate                |                | 8.16%          | 8.58%          | 4.77%          | 3.73%          | 9.45%          |
| Growth 2000 to 2005               |                |                |                |                |                | 39.70%         |
| Total Cost                        | \$ 197,342,652 | \$ 216,113,307 | \$ 249,037,986 | \$ 280,757,852 | \$ 308,054,792 | \$ 353,221,957 |
| Annual Growth Rate                |                | 9.51%          | 15.23%         | 12.74%         | 9.72%          | 14.66%         |
| Growth 2000 to 2005               |                |                |                |                |                | 78.99%         |
| <b>&lt;133%FPL-Without Waiver</b> | <b>2006</b>    | <b>2007</b>    | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    |                |
| <b>Projections: 2006-2010</b>     |                |                |                |                |                |                |
| Enrollment                        | 97,540         | 102,183        | 107,298        | 112,668        | 118,308        |                |
| Annual Growth Rate                |                | 4.76%          | 5.01%          | 5.00%          | 5.01%          |                |
| Growth 2006 to 2010               |                |                |                |                | 21.29%         |                |
| Average Cost                      | \$ 4,206.08    | \$ 4,407.12    | \$ 4,724.09    | \$ 5,063.87    | \$ 5,428.08    |                |
| Annual Growth Rate                |                | 4.78%          | 7.19%          | 7.19%          | 7.19%          |                |
| Growth 2006 to 2010               |                |                |                |                | 29.05%         |                |
| Total Cost                        | \$ 410,261,043 | \$ 450,332,743 | \$ 506,885,409 | \$ 570,536,105 | \$ 642,185,289 |                |
| Annual Growth Rate                |                | 9.77%          | 12.56%         | 12.56%         | 12.56%         |                |
| Growth 2006 to 2010               |                |                |                |                | 56.53%         |                |
| <b>&lt;133%FPL-With Waiver</b>    | <b>2006</b>    | <b>2007</b>    | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    |                |
| <b>Projections: 2006-2010</b>     |                |                |                |                |                |                |
| Enrollment                        | 97,540         | 102,183        | 107,298        | 112,668        | 118,308        |                |
| Annual Growth Rate                |                | 4.76%          | 5.01%          | 5.00%          | 5.01%          |                |
| Growth 2006 to 2010               |                |                |                |                | 21.29%         |                |
| Average Cost                      | \$ 4,206.48    | \$ 4,186.79    | \$ 4,369.83    | \$ 4,557.54    | \$ 4,885.34    |                |
| Annual Growth Rate                |                | -0.47%         | 4.37%          | 4.30%          | 7.19%          |                |
| Growth 2006 to 2010               |                |                |                |                | 16.14%         |                |
| Total Cost                        | \$ 410,300,059 | \$ 427,818,763 | \$ 468,874,019 | \$ 513,488,917 | \$ 577,974,805 |                |
| Annual Growth Rate                |                | 4.27%          | 9.60%          | 9.52%          | 12.56%         |                |
| Growth 2006 to 2010               |                |                |                |                | 40.87%         |                |

## >133% FPL

|                                    |               |               |               |               |               |               |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>&gt;133% FPL-Historical</b>     | <b>2000</b>   | <b>2001</b>   | <b>2002</b>   | <b>2003</b>   | <b>2004</b>   | <b>2005</b>   |
| <b>Historical: 2000-2005</b>       |               |               |               |               |               |               |
| Enrollment                         | 9,494         | 9,299         | 10,625        | 11,878        | 12,629        | 13,230        |
| Annual Growth Rate                 |               | -2.05%        | 14.26%        | 11.79%        | 6.32%         | 4.76%         |
| Growth 2000 to 2005                |               |               |               |               |               | 39.35%        |
| Average Cost                       | \$ 1,214.30   | \$ 1,357.68   | \$ 1,321.92   | \$ 1,391.40   | \$ 1,409.64   | \$ 1,542.84   |
| Annual Growth Rate                 |               | 11.81%        | -2.63%        | 5.26%         | 1.31%         | 9.45%         |
| Growth 2000 to 2005                |               |               |               |               |               | 27.06%        |
| Total Cost                         | \$ 11,528,564 | \$ 12,625,066 | \$ 14,045,400 | \$ 16,527,049 | \$ 17,802,344 | \$ 20,411,773 |
| Annual Growth Rate                 |               | 9.51%         | 11.25%        | 17.67%        | 7.72%         | 14.66%        |
| Growth 2000 to 2005                |               |               |               |               |               | 77.05%        |
| <b>&gt;133% FPL-Without Waiver</b> | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |               |
| <b>Projections: 2006-2010</b>      |               |               |               |               |               |               |
| Enrollment                         | 13,860        | 14,520        | 15,445        | 16,429        | 17,476        |               |
| Annual Growth Rate                 |               | 4.76%         | 6.37%         | 6.37%         | 6.37%         |               |
| Growth 2006 to 2010                |               |               |               |               | 26.09%        |               |
| Average Cost                       | \$ 1,710.72   | \$ 1,794.72   | \$ 1,899.79   | \$ 2,011.02   | \$ 2,128.75   |               |
| Annual Growth Rate                 |               | 4.91%         | 5.85%         | 5.85%         | 5.85%         |               |
| Growth 2006 to 2010                |               |               |               |               | 24.44%        |               |
| Total Cost                         | \$ 23,710,579 | \$ 26,059,334 | \$ 29,342,257 | \$ 33,039,048 | \$ 37,202,035 |               |
| Annual Growth Rate                 |               | 9.91%         | 12.60%        | 12.60%        | 12.60%        |               |
| Growth 2006 to 2010                |               |               |               |               | 56.90%        |               |
| <b>&gt;133% FPL-With Waiver</b>    | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |               |
| <b>Projections: 2006-2010</b>      |               |               |               |               |               |               |
| Enrollment                         | 13,860        | 14,520        | 15,445        | 16,429        | 17,476        |               |
| Annual Growth Rate                 |               | 4.76%         | 6.37%         | 6.37%         | 6.37%         |               |
| Growth 2006 to 2010                |               |               |               |               | 26.09%        |               |
| Average Cost                       | \$ 1,710.72   | \$ 1,672.37   | \$ 1,640.76   | \$ 1,736.82   | \$ 1,838.50   |               |
| Annual Growth Rate                 |               | -2.24%        | -1.89%        | 5.85%         | 5.85%         |               |
| Growth 2006 to 2010                |               |               |               |               | 7.47%         |               |
| Total Cost                         | \$ 23,710,579 | \$ 24,282,812 | \$ 25,341,538 | \$ 28,534,216 | \$ 32,129,626 |               |
| Annual Growth Rate                 |               | 2.41%         | 4.36%         | 12.60%        | 12.60%        |               |
| Growth 2006 to 2010                |               |               |               |               | 35.51%        |               |

## Developmental Services

| <b>Developmental Services-Historical</b>     | <b>2000</b>    | <b>2001</b>    | <b>2002</b>    | <b>2003</b>    | <b>2004</b>    | <b>2005</b>    |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Historical: 2000-2005</b>                 |                |                |                |                |                |                |
| Enrollment                                   | 5,151          | 5,726          | 6,234          | 6,388          | 6,696          | 7,147          |
| Annual Growth Rate                           |                | 11.16%         | 8.87%          | 2.47%          | 4.82%          | 6.74%          |
| Growth 2000 to 2005                          |                |                |                |                |                | 38.75%         |
| Average Cost                                 | \$ 23,688.79   | \$ 21,929.96   | \$ 20,899.56   | \$ 20,790.51   | \$ 21,575.59   | \$ 21,949.46   |
| Annual Growth Rate                           |                | -7.42%         | -4.70%         | -0.52%         | 3.78%          | 1.73%          |
| Growth 2000 to 2005                          |                |                |                |                |                | -7.34%         |
| Total Cost                                   | \$ 122,020,957 | \$ 125,570,951 | \$ 130,287,857 | \$ 132,809,778 | \$ 144,470,151 | \$ 156,872,791 |
| Annual Growth Rate                           |                | 2.91%          | 3.76%          | 1.94%          | 8.78%          | 8.58%          |
| Growth 2000 to 2005                          |                |                |                |                |                | 28.56%         |
| <b>Developmental Services-Without Waiver</b> | <b>2006</b>    | <b>2007</b>    | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    |                |
| <b>Projections: 2006-2010</b>                |                |                |                |                |                |                |
| Enrollment                                   | 7,753          | 8,205          | 8,772          | 9,378          | 10,026         |                |
| Annual Growth Rate                           |                | 5.83%          | 6.91%          | 6.91%          | 6.91%          |                |
| Growth 2006 to 2010                          |                |                |                |                | 29.32%         |                |
| Average Cost                                 | \$ 20,206.00   | \$ 21,060.00   | \$ 21,944.52   | \$ 22,866.19   | \$ 23,826.57   |                |
| Annual Growth Rate                           |                | 4.23%          | 4.20%          | 4.20%          | 4.20%          |                |
| Growth 2006 to 2010                          |                |                |                |                | 17.92%         |                |
| Total Cost                                   | \$ 156,657,118 | \$ 172,797,300 | \$ 192,497,329 | \$ 214,439,130 | \$ 238,885,191 |                |
| Annual Growth Rate                           |                | 10.30%         | 11.40%         | 11.40%         | 11.40%         |                |
| Growth 2006 to 2010                          |                |                |                |                | 52.49%         |                |
| <b>Developmental Services-With Waiver</b>    | <b>2006</b>    | <b>2007</b>    | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    |                |
| <b>Projections: 2006-2010</b>                |                |                |                |                |                |                |
| Enrollment                                   | 7,753          | 8,205          | 8,772          | 9,378          | 10,026         |                |
| Annual Growth Rate                           |                | 5.83%          | 6.91%          | 6.91%          | 6.91%          |                |
| Growth 2006 to 2010                          |                |                |                |                | 29.32%         |                |
| Average Cost                                 | \$ 19,801.88   | \$ 20,217.60   | \$ 20,847.29   | \$ 21,722.88   | \$ 22,635.24   |                |
| Annual Growth Rate                           |                | 2.10%          | 3.11%          | 4.20%          | 4.20%          |                |
| Growth 2006 to 2010                          |                |                |                |                | 14.31%         |                |
| Total Cost                                   | \$ 153,523,976 | \$ 165,885,408 | \$ 182,872,428 | \$ 203,717,169 | \$ 226,940,916 |                |
| Annual Growth Rate                           |                | 8.05%          | 10.24%         | 11.40%         | 11.40%         |                |
| Growth 2006 to 2010                          |                |                |                |                | 47.82%         |                |

## Medicaid to Schools

| <b>Medicaid to Schools-Historical</b>     | <b>2000</b>   | <b>2001</b>   | <b>2002</b>   | <b>2003</b>   | <b>2004</b>   | <b>2005</b>   |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Historical: 2000-2005</b>              |               |               |               |               |               |               |
| Enrollment                                | 7,273         | 6,493         | 6,924         | 7,738         | 7,619         | 8,400         |
| Annual Growth Rate                        |               | -10.72%       | 6.64%         | 11.76%        | -1.54%        | 10.25%        |
| Growth 2000 to 2005                       |               |               |               |               |               | 15.50%        |
| Average Cost                              | \$ 3,983.56   | \$ 4,097.93   | \$ 3,214.59   | \$ 3,440.48   | \$ 3,926.13   | \$ 4,047.62   |
| Annual Growth Rate                        |               | 2.87%         | -21.56%       | 7.03%         | 14.12%        | 3.09%         |
| Growth 2000 to 2005                       |               |               |               |               |               | 1.61%         |
| Total Cost                                | \$ 28,972,432 | \$ 26,607,859 | \$ 22,257,821 | \$ 26,622,434 | \$ 29,913,184 | \$ 34,000,008 |
| Annual Growth Rate                        |               | -8.16%        | -16.35%       | 19.61%        | 12.36%        | 13.66%        |
| Growth 2000 to 2005                       |               |               |               |               |               | 17.35%        |
| <b>Medicaid to Schools-Without Waiver</b> | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |               |
| <b>Projections: 2006-2010</b>             |               |               |               |               |               |               |
| Enrollment                                | 8,550         | 9,250         | 9,598         | 9,960         | 10,335        |               |
| Annual Growth Rate                        |               | 8.19%         | 3.76%         | 3.77%         | 3.77%         |               |
| Growth 2006 to 2010                       |               |               |               |               | 20.88%        |               |
| Average Cost                              | \$ 4,163.74   | \$ 4,108.11   | \$ 4,280.65   | \$ 4,460.44   | \$ 4,647.77   |               |
| Annual Growth Rate                        |               | -1.34%        | 4.20%         | 4.20%         | 4.20%         |               |
| Growth 2006 to 2010                       |               |               |               |               | 11.62%        |               |
| Total Cost                                | \$ 35,599,977 | \$ 38,000,018 | \$ 41,085,679 | \$ 44,425,982 | \$ 48,034,703 |               |
| Annual Growth Rate                        |               | 6.74%         | 8.12%         | 8.13%         | 8.12%         |               |
| Growth 2006 to 2010                       |               |               |               |               | 34.93%        |               |
| <b>Medicaid to Schools-With Waiver</b>    | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |               |
| <b>Projections: 2006-2010</b>             |               |               |               |               |               |               |
| Enrollment                                | 8,550         | 9,250         | 9,598         | 9,960         | 10,335        |               |
| Annual Growth Rate                        |               | 8.19%         | 3.76%         | 3.77%         | 3.77%         |               |
| Growth 2006 to 2010                       |               |               |               |               | 20.88%        |               |
| Average Cost                              | \$ 4,080.47   | \$ 3,943.78   | \$ 4,066.62   | \$ 4,237.41   | \$ 4,415.39   |               |
| Annual Growth Rate                        |               | -3.35%        | 3.11%         | 4.20%         | 4.20%         |               |
| Growth 2006 to 2010                       |               |               |               |               | 8.21%         |               |
| Total Cost                                | \$ 34,888,019 | \$ 36,479,965 | \$ 39,031,419 | \$ 42,204,604 | \$ 45,633,056 |               |
| Annual Growth Rate                        |               | 4.56%         | 6.99%         | 8.13%         | 8.12%         |               |
| Growth 2006 to 2010                       |               |               |               |               | 30.80%        |               |

## Community Mental Health

| <b>CMHC-Historical</b>        | <b>2000</b>   | <b>2001</b>   | <b>2002</b>   | <b>2003</b>   | <b>2004</b>    | <b>2005</b>   |
|-------------------------------|---------------|---------------|---------------|---------------|----------------|---------------|
| <b>Historical: 2000-2005</b>  |               |               |               |               |                |               |
| Enrollment                    | 18,087        | 18,278        | 14,940        | 12,873        | 14,416         | 14,473        |
| Annual Growth Rate            |               | 1.06%         | -18.26%       | -13.84%       | 11.99%         | 0.40%         |
| Growth 2000 to 2005           |               |               |               |               |                | -19.98%       |
| Average Cost                  | \$ 3,791.00   | \$ 3,940.00   | \$ 5,195.00   | \$ 5,536.00   | \$ 5,026.00    | \$ 5,011.00   |
| Annual Growth Rate            |               | 3.93%         | 31.85%        | 6.56%         | -9.21%         | -0.30%        |
| Growth 2000 to 2005           |               |               |               |               |                | 32.18%        |
| Total Cost                    | \$ 68,567,817 | \$ 72,015,320 | \$ 77,613,300 | \$ 71,264,928 | \$ 72,454,816  | \$ 72,524,203 |
| Annual Growth Rate            |               | 5.03%         | 7.77%         | -8.18%        | 1.67%          | 0.10%         |
| Growth 2000 to 2005           |               |               |               |               |                | 5.77%         |
|                               |               |               |               |               |                |               |
| <b>CMHC-Without Waiver</b>    | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>    |               |
| <b>Projections: 2006-2010</b> |               |               |               |               |                |               |
| Enrollment                    | 14,896        | 15,317        | 16,188        | 17,109        | 18,082         |               |
| Annual Growth Rate            |               | 2.83%         | 5.69%         | 5.69%         | 5.69%          |               |
| Growth 2006 to 2010           |               |               |               |               | 21.39%         |               |
| Average Cost                  | \$ 5,092.00   | \$ 5,180.00   | \$ 5,447.74   | \$ 5,723.32   | \$ 6,025.45    |               |
| Annual Growth Rate            |               | 1.73%         | 5.17%         | 5.06%         | 5.28%          |               |
| Growth 2006 to 2010           |               |               |               |               | 18.33%         |               |
| Total Cost                    | \$ 75,850,432 | \$ 79,342,060 | \$ 88,188,015 | \$ 97,920,282 | \$ 108,952,187 |               |
| Annual Growth Rate            |               | 4.60%         | 11.15%        | 11.04%        | 11.27%         |               |
| Growth 2006 to 2010           |               |               |               |               | 43.64%         |               |
|                               |               |               |               |               |                |               |
| <b>CMHC-With Waiver</b>       | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>    |               |
| <b>Projections: 2006-2010</b> |               |               |               |               |                |               |
| Enrollment                    | 14,896        | 15,317        | 16,188        | 17,109        | 18,082         |               |
| Annual Growth Rate            |               | 2.83%         | 5.69%         | 5.69%         | 5.69%          |               |
| Growth 2006 to 2010           |               |               |               |               | 21.39%         |               |
| Average Cost                  | \$ 4,990.16   | \$ 4,972.80   | \$ 5,175.35   | \$ 5,442.85   | \$ 5,724.18    |               |
| Annual Growth Rate            |               | -0.35%        | 4.07%         | 5.17%         | 5.17%          |               |
| Growth 2006 to 2010           |               |               |               |               | 14.71%         |               |
| Total Cost                    | \$ 74,333,423 | \$ 76,168,378 | \$ 83,778,566 | \$ 93,121,721 | \$ 103,504,623 |               |
| Annual Growth Rate            |               | 2.47%         | 9.99%         | 11.15%        | 11.15%         |               |
| Growth 2006 to 2010           |               |               |               |               | 39.24%         |               |
|                               |               |               |               |               |                |               |

## IV. Health Services Accounts

There are key elements of the Health Services Account (HSA) proposal:

- ❑ **Individual budget** for each recipient with a Health Services Account
- ❑ Each recipient will have a **medical home**
- ❑ Each recipient will have a specific schedule of **prevention services**
- ❑ **Disease Management** will be available as needed for each recipient
- ❑ **Primary Care Case Management** will be utilized

The financial model simulates the cost of acute care medical expenditures for the target population. Key variables in the financial model include:

- ❑ Unduplicated yearly count of the number of recipients
- ❑ Enrollment
- ❑ Baseline expenses
- ❑ Medical cost inflation (NH and National)

### A. Financial Assumptions

- ❑ Those recipients within the H.S.A. will have all the benefit of the PCCM initiative. Expected changes in recipient behavior combined with the primary elements of the H.S.A. will result in an additional 3.6% savings off cost trends yielding a 13.6% versus a 10% impact on cost trends. The impact of these benefits will be phased in over the five-year period.
  - 2006 will see minimal impact as implementation begins in January 2006 with savings beginning on July 1, 2006
  - 2007 will see 50% of the impact for a reduction of 6.8% off trend
  - 2008 will see 75% of the impact for a reduction of 10.2% off trend
  - 2009 and beyond will see the full impact for a 13.6% reduction off trend

### B. Critical Assumptions

- ❑ The Health Services Account covers **ONLY** those recipients with incomes greater than 133% of Federal Poverty Level (FPL), up to 300% of the FPL. **For a family of four, \$25,070 is 133% of the FPL and \$56,550 is 300%.**
- ❑ The Health Services Account consists of three benefit components
  - Prevention services: specific to the individual recipient-see schedule
    - The cost of these services is not controlled by the recipient and is not within their discretionary budget; costs will be reimbursed by DHHS.
  - Major medical care: unplanned medical services deemed medically necessary by the recipient's physician for which prior authorization by DHHS will be required
    - The cost of these services is not controlled by the recipient and is not within their discretionary budget; costs will be reimbursed by DHHS.



- Acute care services, the Health Services Account: an individual budget, with a “soft cap” for services over which the recipient has control
    - These services are not preventive, major medical or related to chronic conditions
    - A waiver process will be in place enabling the recipient’s primary care physician or medical home, to approve for DHHS reimbursement services above the account
- People, regardless of economic condition, will make rational choices and decisions on health care if they have information that is available, comprehensible and accessible
- Recipient behaviors will change, over the long term, through combination of individual budget and financial incentives
- An incentive system will be in place that recognizes and rewards the recipient for adhering to the individual prevention services schedule and from his or her effective management of the HSA.
- While the incentive system has not been fully defined, it is expected to feature quarterly incentives targeted for use by the recipient for appropriate and relevant expenses
- Performance of the recipient against the plan will be monitored through use of a Medical report card
- Savings are expected primarily by the prior authorization process for major medical services
- Investments in information technology required to deliver and provide information and resources accessible over the Internet, phone and points of service delivery
- Implementation is expected to begin July 1, 2006.
- About 14,000 TANF children and adults over 133% of FPL would be eligible for HSAs; disabled persons would be excluded as would most elderly
- Recipients not adhering to their individual preventive services schedule will not be penalized,
- Positive incentives, however, will be provided for completing recommended prevention schedules and meeting personal health goals.
- Preventive services will be based on evidence-based guidelines and recognized periodicity schedule for children (EPSDT), and pre-natal schedule.
- Preventive services would include but not be limited to: dental visits (including fluoride, sealants, hygiene, and counseling), well child visits, routine laboratory and screening tests, anticipatory guidance, immunizations, pre-natal office visits and recommended laboratory and screening tests.
- An amount to be specified will be placed annually in the recipient’s Health Savings Account for use in non-emergency care such as office visits, prescription drugs, and hospital outpatient visits.
- The recipient would manage the account with the possibility of a refund voucher for savings.
- Major Medical
  - Includes inpatient hospital, ER, ambulance, outpatient services, including pharmacy, for chronic conditions.

- Physicians would be allowed to waive patients with chronic illness or significant acute conditions to access funds in the major medical pool.
- ❑ Recipients who fulfill prevention requirements and meet personal health and wellness goals are eligible to receive quarterly vouchers for wellness-related activities. Maximum incentive per year is expected to be \$250.
- ❑ Approximately 50% of recipients will meet and achieve incentive criteria.
- ❑ Recipients who do not use all of their account will receive a portion of the unspent funds in the form of vouchers for approved activities such as educational or wellness purposes.
- ❑ DHHS will administer the program, not a contractor.

| Updated                             | 1/5/2005     |              |              |              |              |              |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>NHH/Philbrook-Historical</b>     | <b>2000</b>  | <b>2001</b>  | <b>2002</b>  | <b>2003</b>  | <b>2004</b>  | <b>2005</b>  |
| <b>Historical: 2000-2005</b>        |              |              |              |              |              |              |
| Enrollment                          | 134          | 261          | 248          | 251          | 367          | 389          |
| Annual Growth Rate                  |              | 94.78%       | -4.98%       | 1.21%        | 46.22%       | 5.99%        |
| Growth 2000 to 2005                 |              |              |              |              |              | 190.30%      |
| Average Cost                        | \$ 9,962.00  | \$ 9,914.00  | \$ 8,520.00  | \$ 10,286.00 | \$ 8,012.00  | \$ 8,012.00  |
| Annual Growth Rate                  |              | -0.48%       | -14.06%      | 20.73%       | -22.11%      | 0.00%        |
| Growth 2000 to 2005                 |              |              |              |              |              | -19.57%      |
| Total Cost                          | \$ 1,334,908 | \$ 2,587,554 | \$ 2,112,960 | \$ 2,581,786 | \$ 2,940,404 | \$ 3,116,668 |
| Annual Growth Rate                  |              | 93.84%       | -18.34%      | 22.19%       | 13.89%       | 5.99%        |
| Growth 2000 to 2005                 |              |              |              |              |              | 133.47%      |
| <b>NHH/Philbrook-Without Waiver</b> |              |              |              |              |              |              |
| <b>Projections: 2006-2010</b>       | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  |              |
| Enrollment                          | 389          | 389          | 411          | 435          | 459          |              |
| Annual Growth Rate                  |              | 0.00%        | 5.66%        | 5.84%        | 5.52%        |              |
| Growth 2006 to 2010                 |              |              |              |              | 17.99%       |              |
| Average Cost                        | \$ 9,372.00  | \$ 9,606.00  | \$ 10,009.45 | \$ 10,429.85 | \$ 10,867.90 |              |
| Annual Growth Rate                  |              | 2.50%        | 4.20%        | 4.20%        | 4.20%        |              |
| Growth 2006 to 2010                 |              |              |              |              | 15.96%       |              |
| Total Cost                          | \$ 3,645,708 | \$ 3,736,734 | \$ 4,113,884 | \$ 4,536,985 | \$ 4,988,366 |              |
| Annual Growth Rate                  |              | 2.50%        | 10.09%       | 10.28%       | 9.95%        |              |
| Growth 2006 to 2010                 |              |              |              |              | 36.83%       |              |
| <b>NHH/Philbrook-With Waiver</b>    |              |              |              |              |              |              |
| <b>Projections: 2006-2010</b>       | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  |              |
| Enrollment                          | 389          | 389          | 411          | 435          | 459          |              |
| Annual Growth Rate                  |              | 0.00%        | 5.66%        | 5.84%        | 5.52%        |              |
| Growth 2006 to 2010                 |              |              |              |              | 17.99%       |              |
| Average Cost                        | \$ 9,372.00  | \$ 9,606.00  | \$ 10,009.45 | \$ 10,429.85 | \$ 10,867.90 |              |
| Annual Growth Rate                  |              | 2.50%        | 4.20%        | 4.20%        | 4.20%        |              |
| Growth 2006 to 2010                 |              |              |              |              | 15.96%       |              |
| Total Cost                          | \$ 3,645,708 | \$ 3,736,734 | \$ 4,113,884 | \$ 4,536,985 | \$ 4,988,366 |              |
| Annual Growth Rate                  |              | 2.50%        | 10.09%       | 10.28%       | 9.95%        |              |
| Growth 2006 to 2010                 |              |              |              |              | 36.83%       |              |

|                               |              |              |              |              |              |              |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>NHH/THS-Historical</b>     | <b>2000</b>  | <b>2001</b>  | <b>2002</b>  | <b>2003</b>  | <b>2004</b>  | <b>2005</b>  |
| <b>Historical: 2000-2005</b>  |              |              |              |              |              |              |
| Enrollment                    | 48           | 64           | 68           | 65           | 61           | 61           |
| Annual Growth Rate            |              | 33.33%       | 6.25%        | -4.41%       | -6.15%       | 0.00%        |
| Growth 2000 to 2005           |              |              |              |              |              | 27.08%       |
| Average Cost                  | \$ 35,036.00 | \$ 37,762.00 | \$ 31,342.00 | \$ 41,122.00 | \$ 46,538.00 | \$ 46,538.00 |
| Annual Growth Rate            |              | 7.78%        | -17.00%      | 31.20%       | 13.17%       | 0.00%        |
| Growth 2000 to 2005           |              |              |              |              |              | 32.83%       |
| Total Cost                    | \$ 1,681,728 | \$ 2,416,768 | \$ 2,131,256 | \$ 2,672,930 | \$ 2,838,818 | \$ 2,838,818 |
| Annual Growth Rate            |              | 43.71%       | -11.81%      | 25.42%       | 6.21%        | 0.00%        |
| Growth 2000 to 2005           |              |              |              |              |              | 68.80%       |
| <b>NHH/THS-Without Waiver</b> | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  |              |
| <b>Projections: 2006-2010</b> |              |              |              |              |              |              |
| Enrollment                    | 70           | 70           | 74           | 79           | 84           |              |
| Annual Growth Rate            |              | 0.00%        | 5.71%        | 6.76%        | 6.33%        |              |
| Growth 2006 to 2010           |              |              |              |              | 20.00%       |              |
| Average Cost                  | \$ 46,538.00 | \$ 46,538.00 | \$ 48,875.14 | \$ 51,329.65 | \$ 53,907.43 |              |
| Annual Growth Rate            |              | 0.00%        | 5.02%        | 5.02%        | 5.02%        |              |
| Growth 2006 to 2010           |              |              |              |              | 15.84%       |              |
| Total Cost                    | \$ 3,257,660 | \$ 3,257,660 | \$ 3,616,760 | \$ 4,055,042 | \$ 4,528,224 |              |
| Annual Growth Rate            |              | 0.00%        | 11.02%       | 12.12%       | 11.67%       |              |
| Growth 2006 to 2010           |              |              |              |              | 39.00%       |              |
| <b>NHH/THS-With Waiver</b>    | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  |              |
| <b>Projections: 2006-2010</b> |              |              |              |              |              |              |
| Enrollment                    | 70           | 70           | 74           | 79           | 84           |              |
| Annual Growth Rate            |              | 0.00%        | 5.71%        | 6.76%        | 6.33%        |              |
| Growth 2006 to 2010           |              |              |              |              | 20.00%       |              |
| Average Cost                  | \$ 46,538.00 | \$ 46,538.00 | \$ 48,875.14 | \$ 51,329.65 | \$ 53,907.43 |              |
| Annual Growth Rate            |              | 0.00%        | 5.02%        | 5.02%        | 5.02%        |              |
| Growth 2006 to 2010           |              |              |              |              | 15.84%       |              |
| Total Cost                    | \$ 3,257,660 | \$ 3,257,660 | \$ 3,616,760 | \$ 4,055,042 | \$ 4,528,224 |              |
| Annual Growth Rate            |              | 0.00%        | 11.02%       | 12.12%       | 11.67%       |              |
| Growth 2006 to 2010           |              |              |              |              | 39.00%       |              |

|                                 |              |              |              |              |              |              |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Glenclyff-Historical</b>     | <b>2000</b>  | <b>2001</b>  | <b>2002</b>  | <b>2003</b>  | <b>2004</b>  | <b>2005</b>  |
| <b>Historical: 2000-2005</b>    |              |              |              |              |              |              |
| Enrollment                      | 91           | 80           | 81           | 84           | 92           | 106          |
| Annual Growth Rate              |              | -12.09%      | 1.25%        | 3.70%        | 9.52%        | 15.22%       |
| Growth 2000 to 2005             |              |              |              |              |              | 16.48%       |
| Average Cost                    | \$ 91,716.00 | \$ 74,650.00 | \$ 70,220.00 | \$ 70,458.00 | \$ 71,946.00 | \$ 70,894.00 |
| Annual Growth Rate              |              | -18.61%      | -5.93%       | 0.34%        | 2.11%        | -1.46%       |
| Growth 2000 to 2005             |              |              |              |              |              | -22.70%      |
| Total Cost                      | \$ 8,346,156 | \$ 5,972,000 | \$ 5,687,820 | \$ 5,918,472 | \$ 6,619,032 | \$ 7,514,764 |
| Annual Growth Rate              |              | -28.45%      | -4.76%       | 4.06%        | 11.84%       | 13.53%       |
| Growth 2000 to 2005             |              |              |              |              |              | -9.96%       |
| <b>Glenclyff-Without Waiver</b> | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  |              |
| <b>Projections: 2006-2010</b>   |              |              |              |              |              |              |
| Enrollment                      | 106          | 106          | 109          | 111          | 114          |              |
| Annual Growth Rate              |              | 0.00%        | 2.83%        | 1.83%        | 2.70%        |              |
| Growth 2006 to 2010             |              |              |              |              | 7.55%        |              |
| Average Cost                    | \$ 70,308.00 | \$ 70,194.00 | \$ 73,142.15 | \$ 76,214.12 | \$ 79,415.11 |              |
| Annual Growth Rate              |              | -0.16%       | 4.20%        | 4.20%        | 4.20%        |              |
| Growth 2006 to 2010             |              |              |              |              | 12.95%       |              |
| Total Cost                      | \$ 7,452,648 | \$ 7,440,564 | \$ 7,972,494 | \$ 8,459,767 | \$ 9,053,323 |              |
| Annual Growth Rate              |              | -0.16%       | 7.15%        | 6.11%        | 7.02%        |              |
| Growth 2006 to 2010             |              |              |              |              | 21.48%       |              |
| <b>Glenclyff-With Waiver</b>    | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  |              |
| <b>Projections: 2006-2010</b>   |              |              |              |              |              |              |
| Enrollment                      | 106          | 106          | 106          | 106          | 106          |              |
| Annual Growth Rate              |              | 0.00%        | 0.00%        | 0.00%        | 0.00%        |              |
| Growth 2006 to 2010             |              |              |              |              | 0.00%        |              |
| Average Cost                    | \$ 70,308.00 | \$ 70,194.00 | \$ 73,142.15 | \$ 76,214.12 | \$ 79,415.11 |              |
| Annual Growth Rate              |              | -0.16%       | 4.20%        | 4.20%        | 4.20%        |              |
| Growth 2006 to 2010             |              |              |              |              | 12.95%       |              |
| Total Cost                      | \$ 7,452,648 | \$ 7,440,564 | \$ 7,753,068 | \$ 8,078,697 | \$ 8,418,002 |              |
| Annual Growth Rate              |              | -0.16%       | 4.20%        | 4.20%        | 4.20%        |              |
| Growth 2006 to 2010             |              |              |              |              | 12.95%       |              |

|  |                 |               |               |               |               |               |
|--|-----------------|---------------|---------------|---------------|---------------|---------------|
| <b>Updated</b>                           | <b>1/5/2005</b> |               |               |               |               |               |
|  |                 |               |               |               |               |               |
|  |                 |               |               |               |               |               |
| <b>Childrens Services-Historical</b>     | <b>2000</b>     | <b>2001</b>   | <b>2002</b>   | <b>2003</b>   | <b>2004</b>   | <b>2005</b>   |
| <b>Historical: 2000-2005</b>             |                 |               |               |               |               |               |
| Enrollment                               | 1,238           | 2,202         | 2,184         | 2,184         | 2,216         | 2,216         |
| Annual Growth Rate                       |                 | 77.87%        | -0.82%        | 0.00%         | 1.47%         | 0.00%         |
| Growth 2000 to 2005                      |                 |               |               |               |               | 79.00%        |
| Average Cost                             | \$ 8,689.70     | \$ 11,100.20  | \$ 10,993.15  | \$ 12,222.36  | \$ 11,794.75  | \$ 11,794.75  |
| Annual Growth Rate                       |                 | 27.74%        | -0.96%        | 11.18%        | -3.50%        | 0.00%         |
| Growth 2000 to 2005                      |                 |               |               |               |               | 35.73%        |
| Total Cost                               | \$ 10,757,849   | \$ 24,442,640 | \$ 24,009,040 | \$ 26,693,634 | \$ 26,137,166 | \$ 26,137,166 |
| Annual Growth Rate                       |                 | 127.21%       | -1.77%        | 11.18%        | -2.08%        | 0.00%         |
| Growth 2000 to 2005                      |                 |               |               |               |               | 142.96%       |
|  |                 |               |               |               |               |               |
| <b>Childrens Services-Without Waiver</b> | <b>2006</b>     | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |               |
| <b>Projections: 2006-2010</b>            |                 |               |               |               |               |               |
| Enrollment                               | 2,216           | 2,216         | 2,465         | 2,741         | 3,048         |               |
| Annual Growth Rate                       |                 | 0.00%         | 11.24%        | 11.20%        | 11.20%        |               |
| Growth 2006 to 2010                      |                 |               |               |               | 37.55%        |               |
| Average Cost                             | \$ 12,877.78    | \$ 13,193.67  | \$ 14,062.44  | \$ 14,988.43  | \$ 15,975.38  |               |
| Annual Growth Rate                       |                 | 2.45%         | 6.58%         | 6.58%         | 6.58%         |               |
| Growth 2006 to 2010                      |                 |               |               |               | 24.05%        |               |
| Total Cost                               | \$ 28,537,160   | \$ 29,237,173 | \$ 34,663,915 | \$ 41,083,287 | \$ 48,692,958 |               |
| Annual Growth Rate                       |                 | 2.45%         | 18.56%        | 18.52%        | 18.52%        |               |
| Growth 2006 to 2010                      |                 |               |               |               | 70.63%        |               |
|  |                 |               |               |               |               |               |
| <b>Childrens Services-With Waiver</b>    | <b>2006</b>     | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |               |
| <b>Projections: 2006-2010</b>            |                 |               |               |               |               |               |
| Enrollment                               | 2,216           | 2,216         | 2,465         | 2,741         | 3,048         |               |
| Annual Growth Rate                       |                 | 0.00%         | 11.24%        | 11.20%        | 11.20%        |               |
| Growth 2006 to 2010                      |                 |               |               |               | 37.55%        |               |
| Average Cost                             | \$ 12,877.78    | \$ 13,193.67  | \$ 14,062.44  | \$ 14,988.43  | \$ 15,975.38  |               |
| Annual Growth Rate                       |                 | 2.45%         | 6.58%         | 6.58%         | 6.58%         |               |
| Growth 2006 to 2010                      |                 |               |               |               | 24.05%        |               |
| Total Cost                               | \$ 28,537,160   | \$ 29,237,173 | \$ 34,663,915 | \$ 41,083,287 | \$ 48,692,958 |               |
| Annual Growth Rate                       |                 | 2.45%         | 18.56%        | 18.52%        | 18.52%        |               |
| Growth 2006 to 2010                      |                 |               |               |               | 70.63%        |               |
|  |                 |               |               |               |               |               |

| Updated                            | 1/5/2005       |                |                |                |                |                |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Nursing Home-Historical</b>     | <b>2000</b>    | <b>2001</b>    | <b>2002</b>    | <b>2003</b>    | <b>2004</b>    | <b>2005</b>    |
| <b>Historical: 2000-2005</b>       |                |                |                |                |                |                |
| Enrollment                         | 5,114          | 4,967          | 4,878          | 4,808          | 4,861          | 4,850          |
| Annual Growth Rate                 |                | -2.87%         | -1.79%         | -1.44%         | 1.10%          | -0.23%         |
| Growth 2000 to 2005                |                |                |                |                |                | -5.16%         |
| Average Cost                       | \$ 34,976.00   | \$ 35,296.00   | \$ 35,993.00   | \$ 38,975.00   | \$ 47,922.00   | \$ 48,954.00   |
| Annual Growth Rate                 |                | 0.91%          | 1.97%          | 8.28%          | 22.96%         | 2.15%          |
| Growth 2000 to 2005                |                |                |                |                |                | 39.96%         |
| Total Cost                         | \$ 178,867,264 | \$ 175,315,232 | \$ 175,573,854 | \$ 187,391,800 | \$ 232,948,842 | \$ 237,426,900 |
| Annual Growth Rate                 |                | -1.99%         | 0.15%          | 6.73%          | 24.31%         | 1.92%          |
| Growth 2000 to 2005                |                |                |                |                |                | 32.74%         |
| <b>Nursing Home-Without Waiver</b> | <b>2006</b>    | <b>2007</b>    | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    |                |
| <b>Projections: 2006-2010</b>      |                |                |                |                |                |                |
| Enrollment                         | 4,825          | 4,817          | 4,913          | 5,010          | 5,110          |                |
| Annual Growth Rate                 |                | -0.17%         | 1.99%          | 1.97%          | 2.00%          |                |
| Growth 2006 to 2010                |                |                |                |                | 5.91%          |                |
| Average Cost                       | \$ 49,340.00   | \$ 51,154.00   | \$ 54,131.81   | \$ 57,282.97   | \$ 60,617.56   |                |
| Annual Growth Rate                 |                | 3.68%          | 5.82%          | 5.82%          | 5.82%          |                |
| Growth 2006 to 2010                |                |                |                |                | 22.86%         |                |
| Total Cost                         | \$ 238,065,500 | \$ 246,408,818 | \$ 265,949,583 | \$ 286,987,680 | \$ 309,755,732 |                |
| Annual Growth Rate                 |                | 3.50%          | 7.93%          | 7.91%          | 7.93%          |                |
| Growth 2006 to 2010                |                |                |                |                | 30.11%         |                |
| <b>Nursing Home-With Waiver</b>    | <b>2006</b>    | <b>2007</b>    | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    |                |
| <b>Projections: 2006-2010</b>      |                |                |                |                |                |                |
| Enrollment                         | 4,584          | 4,335          | 4,274          | 3,858          | 3,577          |                |
| Annual Growth Rate                 |                | -5.43%         | -1.41%         | -9.73%         | -7.28%         |                |
| Growth 2006 to 2010                |                |                |                |                | -21.97%        |                |
| Average Cost                       | \$ 49,340.00   | \$ 51,154.00   | \$ 54,131.81   | \$ 57,282.97   | \$ 60,617.56   |                |
| Annual Growth Rate                 |                | 3.68%          | 5.82%          | 5.82%          | 5.82%          |                |
| Growth 2006 to 2010                |                |                |                |                | 22.86%         |                |
| Total Cost                         | \$ 226,174,560 | \$ 221,752,590 | \$ 231,359,356 | \$ 220,997,698 | \$ 216,829,012 |                |
| Annual Growth Rate                 |                | -1.96%         | 4.33%          | -4.48%         | -1.89%         |                |
| Growth 2006 to 2010                |                |                |                |                | -4.13%         |                |

|                                 |              |              |              |              |              |              |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Mid Level-Historical</b>     | <b>2000</b>  | <b>2001</b>  | <b>2002</b>  | <b>2003</b>  | <b>2004</b>  | <b>2005</b>  |
| <b>Historical: 2000-2005</b>    |              |              |              |              |              |              |
| Enrollment                      | 38           | 96           | 152          | 159          | 141          | 179          |
| Annual Growth Rate              |              | 152.63%      | 58.33%       | 4.61%        | -11.32%      | 26.95%       |
| Growth 2000 to 2005             |              |              |              |              |              | 371.05%      |
| Average Cost                    | \$ 4,848.00  | \$ 7,105.00  | \$ 7,774.00  | \$ 7,802.00  | \$ 8,600.00  | \$ 13,023.00 |
| Annual Growth Rate              |              | 46.56%       | 9.42%        | 0.36%        | 10.23%       | 51.43%       |
| Growth 2000 to 2005             |              |              |              |              |              | 168.63%      |
| Total Cost                      | \$ 184,224   | \$ 682,080   | \$ 1,181,648 | \$ 1,240,518 | \$ 1,212,600 | \$ 2,331,117 |
| Annual Growth Rate              |              | 270.24%      | 73.24%       | 4.98%        | -2.25%       | 92.24%       |
| Growth 2000 to 2005             |              |              |              |              |              | 1165.37%     |
|                                 |              |              |              |              |              |              |
| <b>Mid Level-Without Waiver</b> | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  |              |
| <b>Projections: 2006-2010</b>   |              |              |              |              |              |              |
| Enrollment                      | 212          | 222          | 258          | 299          | 347          |              |
| Annual Growth Rate              |              | 4.72%        | 16.22%       | 15.89%       | 16.05%       |              |
| Growth 2006 to 2010             |              |              |              |              | 63.68%       |              |
| Average Cost                    | \$ 16,771.00 | \$ 17,542.00 | \$ 18,594.52 | \$ 19,710.19 | \$ 20,892.80 |              |
| Annual Growth Rate              |              | 4.60%        | 6.00%        | 6.00%        | 6.00%        |              |
| Growth 2006 to 2010             |              |              |              |              | 24.58%       |              |
| Total Cost                      | \$ 3,555,452 | \$ 3,894,324 | \$ 4,797,386 | \$ 5,893,347 | \$ 7,249,802 |              |
| Annual Growth Rate              |              | 9.53%        | 23.19%       | 22.84%       | 23.02%       |              |
| Growth 2006 to 2010             |              |              |              |              | 103.91%      |              |
|                                 |              |              |              |              |              |              |
| <b>Mid Level-With Waiver</b>    | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  |              |
| <b>Projections: 2006-2010</b>   |              |              |              |              |              |              |
| Enrollment                      | 212          | 246          | 285          | 331          | 384          |              |
| Annual Growth Rate              |              | 16.04%       | 15.85%       | 16.14%       | 16.01%       |              |
| Growth 2006 to 2010             |              |              |              |              | 81.13%       |              |
| Average Cost                    | \$ 16,771.00 | \$ 17,542.00 | \$ 18,594.52 | \$ 19,710.19 | \$ 20,892.80 |              |
| Annual Growth Rate              |              | 4.60%        | 6.00%        | 6.00%        | 6.00%        |              |
| Growth 2006 to 2010             |              |              |              |              | 24.58%       |              |
| Total Cost                      | \$ 3,555,452 | \$ 4,315,332 | \$ 5,299,438 | \$ 6,524,073 | \$ 8,022,835 |              |
| Annual Growth Rate              |              | 21.37%       | 22.80%       | 23.11%       | 22.97%       |              |
| Growth 2006 to 2010             |              |              |              |              | 125.65%      |              |
|                                 |              |              |              |              |              |              |



| <b>HCBC/ECI-Historical</b>     | <b>2000</b>   | <b>2001</b>   | <b>2002</b>   | <b>2003</b>   | <b>2004</b>   | <b>2005</b>   |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Historical: 2000-2005</b>   |               |               |               |               |               |               |
| Enrollment                     | 1,318         | 1,554         | 1,731         | 1,876         | 1,940         | 2,040         |
| Annual Growth Rate             |               | 17.91%        | 11.39%        | 8.38%         | 3.41%         | 5.15%         |
| Growth 2000 to 2005            |               |               |               |               |               | 54.78%        |
| Average Cost                   | \$ 11,289.00  | \$ 10,855.00  | \$ 11,241.00  | \$ 11,425.00  | \$ 12,970.00  | \$ 13,566.00  |
| Annual Growth Rate             |               | -3.84%        | 3.56%         | 1.64%         | 13.52%        | 4.60%         |
| Growth 2000 to 2005            |               |               |               |               |               | 20.17%        |
| Total Cost                     | \$ 14,878,902 | \$ 16,868,670 | \$ 19,458,171 | \$ 21,433,300 | \$ 25,161,800 | \$ 27,674,640 |
| Annual Growth Rate             |               | 13.37%        | 15.35%        | 10.15%        | 17.40%        | 9.99%         |
| Growth 2000 to 2005            |               |               |               |               |               | 86.00%        |
|                                |               |               |               |               |               |               |
| <b>HCBC/ECI-Without Waiver</b> | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |               |
| <b>Projections: 2006-2010</b>  |               |               |               |               |               |               |
| Enrollment                     | 2,110         | 2,180         | 2,345         | 2,523         | 2,713         |               |
| Annual Growth Rate             |               | 3.32%         | 7.57%         | 7.59%         | 7.53%         |               |
| Growth 2006 to 2010            |               |               |               |               | 28.58%        |               |
| Average Cost                   | \$ 13,797.00  | \$ 14,432.00  | \$ 15,038.14  | \$ 15,669.75  | \$ 16,327.88  |               |
| Annual Growth Rate             |               | 4.60%         | 4.20%         | 4.20%         | 4.20%         |               |
| Growth 2006 to 2010            |               |               |               |               | 18.34%        |               |
| Total Cost                     | \$ 29,111,670 | \$ 31,461,760 | \$ 35,264,438 | \$ 39,534,779 | \$ 44,297,538 |               |
| Annual Growth Rate             |               | 8.07%         | 12.09%        | 12.11%        | 12.05%        |               |
| Growth 2006 to 2010            |               |               |               |               | 52.16%        |               |
|                                |               |               |               |               |               |               |
| <b>HCBC/ECI-With Waiver</b>    | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |               |
| <b>Projections: 2006-2010</b>  |               |               |               |               |               |               |
| Enrollment                     | 2,490         | 2,938         | 3,467         | 4,091         | 4,827         |               |
| Annual Growth Rate             |               | 17.99%        | 18.01%        | 18.00%        | 17.99%        |               |
| Growth 2006 to 2010            |               |               |               |               | 93.86%        |               |
| Average Cost                   | \$ 13,797.00  | \$ 14,264.82  | \$ 15,502.31  | \$ 16,432.45  | \$ 17,418.39  |               |
| Annual Growth Rate             |               | 3.39%         | 8.68%         | 6.00%         | 6.00%         |               |
| Growth 2006 to 2010            |               |               |               |               | 26.25%        |               |
| Total Cost                     | \$ 34,354,530 | \$ 41,910,041 | \$ 53,746,509 | \$ 67,225,153 | \$ 84,078,569 |               |
| Annual Growth Rate             |               | 21.99%        | 28.24%        | 25.08%        | 25.07%        |               |
| Growth 2006 to 2010            |               |               |               |               | 144.74%       |               |
|                                |               |               |               |               |               |               |

|                                |              |              |              |              |              |              |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                |              |              |              |              |              |              |
|                                |              |              |              |              |              |              |
| <b>Other NH-Historical</b>     | <b>2000</b>  | <b>2001</b>  | <b>2002</b>  | <b>2003</b>  | <b>2004</b>  | <b>2005</b>  |
| <b>Historical: 2000-2005</b>   |              |              |              |              |              |              |
| Enrollment                     | 40           | 39           | 42           | 42           | 45           | 50           |
| Annual Growth Rate             |              | -2.50%       | 7.69%        | 0.00%        | 7.14%        | 11.11%       |
| Growth 2000 to 2005            |              |              |              |              |              | 25.00%       |
| Average Cost                   | \$ 58,183.00 | \$ 64,496.00 | \$ 70,978.00 | \$ 75,771.00 | \$ 81,620.00 | \$ 81,146.00 |
| Annual Growth Rate             |              | 10.85%       | 10.05%       | 6.75%        | 7.72%        | -0.58%       |
| Growth 2000 to 2005            |              |              |              |              |              | 39.47%       |
| Total Cost                     | \$ 2,327,320 | \$ 2,515,344 | \$ 2,981,076 | \$ 3,182,382 | \$ 3,672,900 | \$ 4,057,300 |
| Annual Growth Rate             |              | 8.08%        | 18.52%       | 6.75%        | 15.41%       | 10.47%       |
| Growth 2000 to 2005            |              |              |              |              |              | 74.33%       |
|                                |              |              |              |              |              |              |
| <b>Other NH-Without Waiver</b> | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  |              |
| <b>Projections: 2006-2010</b>  |              |              |              |              |              |              |
| Enrollment                     | 49           | 49           | 51           | 52           | 54           |              |
| Annual Growth Rate             |              | 0.00%        | 4.08%        | 1.96%        | 3.85%        |              |
| Growth 2006 to 2010            |              |              |              |              | 10.20%       |              |
| Average Cost                   | \$ 82,131.00 | \$ 82,131.00 | \$ 86,355.55 | \$ 90,797.40 | \$ 95,467.72 |              |
| Annual Growth Rate             |              | 0.00%        | 5.14%        | 5.14%        | 5.14%        |              |
| Growth 2006 to 2010            |              |              |              |              | 16.24%       |              |
| Total Cost                     | \$ 4,024,419 | \$ 4,024,419 | \$ 4,404,133 | \$ 4,721,465 | \$ 5,155,257 |              |
| Annual Growth Rate             |              | 0.00%        | 9.44%        | 7.21%        | 9.19%        |              |
| Growth 2006 to 2010            |              |              |              |              | 28.10%       |              |
|                                |              |              |              |              |              |              |
| <b>Other NH-With Waiver</b>    | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  |              |
| <b>Projections: 2006-2010</b>  |              |              |              |              |              |              |
| Enrollment                     | 49           | 49           | 51           | 52           | 54           |              |
| Annual Growth Rate             |              | 0.00%        | 4.08%        | 1.96%        | 3.85%        |              |
| Growth 2006 to 2010            |              |              |              |              | 10.20%       |              |
| Average Cost                   | \$ 82,131.00 | \$ 82,131.00 | \$ 86,355.55 | \$ 90,797.40 | \$ 95,467.72 |              |
| Annual Growth Rate             |              | 0.00%        | 5.14%        | 5.14%        | 5.14%        |              |
| Growth 2006 to 2010            |              |              |              |              | 16.24%       |              |
| Total Cost                     | \$ 4,024,419 | \$ 4,024,419 | \$ 4,404,133 | \$ 4,721,465 | \$ 5,155,257 |              |
| Annual Growth Rate             |              | 0.00%        | 9.44%        | 7.21%        | 9.19%        |              |
| Growth 2006 to 2010            |              |              |              |              | 28.10%       |              |
|                                |              |              |              |              |              |              |

|                               |                 |               |               |               |               |              |  |
|-------------------------------|-----------------|---------------|---------------|---------------|---------------|--------------|--|
| <b>Updated</b>                | <b>1/5/2005</b> |               |               |               |               |              |  |
| <b>SCHIP-Historical</b>       | <b>2000</b>     | <b>2001</b>   | <b>2002</b>   | <b>2003</b>   | <b>2004</b>   | <b>2005</b>  |  |
| <b>Historical: 2000-2005</b>  |                 |               |               |               |               |              |  |
| Enrollment                    | 2,093           | 3,293         | 4,214         | 5,508         | 6,171         | 6,776        |  |
| Annual Growth Rate            |                 | 57.33%        | 27.97%        | 30.71%        | 12.04%        | 9.80%        |  |
| Growth 2000 to 2005           |                 |               |               |               |               | 223.75%      |  |
| Average Cost                  | \$ 976.74       | \$ 1,126.29   | \$ 1,275.84   | \$ 927.24     | \$ 1,165.56   | \$ 1,243.32  |  |
| Annual Growth Rate            |                 | 15.31%        | 13.28%        | -27.32%       | 25.70%        | 6.67%        |  |
| Growth 2000 to 2005           |                 |               |               |               |               | 27.29%       |  |
| Total Cost                    | \$ 2,044,317    | \$ 3,708,873  | \$ 5,376,390  | \$ 5,107,238  | \$ 7,192,671  | \$ 8,424,736 |  |
| Annual Growth Rate            |                 | 81.42%        | 44.96%        | -5.01%        | 40.83%        | 17.13%       |  |
| Growth 2000 to 2005           |                 |               |               |               |               | 312.11%      |  |
| <b>SCHIP-Without Waiver</b>   |                 |               |               |               |               |              |  |
| <b>Projections: 2006-2010</b> | <b>2006</b>     | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |              |  |
| Enrollment                    | 7,436           | 8,091         | 8,900         | 9,790         | 10,769        |              |  |
| Annual Growth Rate            |                 | 8.81%         | 10.00%        | 10.00%        | 10.00%        |              |  |
| Growth 2006 to 2010           |                 |               |               |               | 44.82%        |              |  |
| Average Cost                  | \$ 1,447.56     | \$ 1,673.04   | \$ 1,829.93   | \$ 2,001.53   | \$ 2,189.23   |              |  |
| Annual Growth Rate            |                 | 15.58%        | 9.38%         | 9.38%         | 9.38%         |              |  |
| Growth 2006 to 2010           |                 |               |               |               | 51.24%        |              |  |
| Total Cost                    | \$ 10,764,056   | \$ 13,536,567 | \$ 16,286,377 | \$ 19,594,979 | \$ 23,575,818 |              |  |
| Annual Growth Rate            |                 | 25.76%        | 20.31%        | 20.32%        | 20.32%        |              |  |
| Growth 2006 to 2010           |                 |               |               |               | 119.02%       |              |  |
| <b>SCHIP-With Waiver</b>      |                 |               |               |               |               |              |  |
| <b>Projections: 2006-2010</b> | <b>2006</b>     | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |              |  |
| Enrollment                    | 7,436           | 8,091         | 8,900         | 9,790         | 10,769        |              |  |
| Annual Growth Rate            |                 | 8.81%         | 10.00%        | 10.00%        | 10.00%        |              |  |
| Growth 2006 to 2010           |                 |               |               |               | 44.82%        |              |  |
| Average Cost                  | \$ 1,447.56     | \$ 1,558.98   | \$ 1,642.80   | \$ 1,728.63   | \$ 1,890.73   |              |  |
| Annual Growth Rate            |                 | 7.70%         | 5.38%         | 5.22%         | 9.38%         |              |  |
| Growth 2006 to 2010           |                 |               |               |               | 30.61%        |              |  |
| Total Cost                    | \$ 10,764,056   | \$ 12,613,707 | \$ 14,620,920 | \$ 16,923,288 | \$ 20,361,271 |              |  |
| Annual Growth Rate            |                 | 17.18%        | 15.91%        | 15.75%        | 20.32%        |              |  |
| Growth 2006 to 2010           |                 |               |               |               | 89.16%        |              |  |

|                                   |                |                |                |                |                |                |  |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|--|
| <b>&lt;133%FPL-Historical</b>     | <b>2000</b>    | <b>2001</b>    | <b>2002</b>    | <b>2003</b>    | <b>2004</b>    | <b>2005</b>    |  |
| <b>Historical: 2000-2005</b>      |                |                |                |                |                |                |  |
| Enrollment                        | 72,670         | 73,577         | 78,084         | 84,021         | 88,877         | 93,108         |  |
| Annual Growth Rate                |                | 1.25%          | 6.13%          | 7.60%          | 5.78%          | 4.76%          |  |
| Growth 2000 to 2005               |                |                |                |                |                | 28.12%         |  |
| Average Cost                      | \$ 2,715.60    | \$ 2,937.24    | \$ 3,189.36    | \$ 3,341.52    | \$ 3,466.08    | \$ 3,793.68    |  |
| Annual Growth Rate                |                | 8.16%          | 8.58%          | 4.77%          | 3.73%          | 9.45%          |  |
| Growth 2000 to 2005               |                |                |                |                |                | 39.70%         |  |
| Total Cost                        | \$ 197,342,652 | \$ 216,113,307 | \$ 249,037,986 | \$ 280,757,852 | \$ 308,054,792 | \$ 353,221,957 |  |
| Annual Growth Rate                |                | 9.51%          | 15.23%         | 12.74%         | 9.72%          | 14.66%         |  |
| Growth 2000 to 2005               |                |                |                |                |                | 78.99%         |  |
|                                   |                |                |                |                |                |                |  |
| <b>&lt;133%FPL-Without Waiver</b> | <b>2006</b>    | <b>2007</b>    | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    |                |  |
| <b>Projections: 2006-2010</b>     |                |                |                |                |                |                |  |
| Enrollment                        | 97,540         | 102,183        | 107,298        | 112,668        | 118,308        |                |  |
| Annual Growth Rate                |                | 4.76%          | 5.01%          | 5.00%          | 5.01%          |                |  |
| Growth 2006 to 2010               |                |                |                |                | 21.29%         |                |  |
| Average Cost                      | \$ 4,206.08    | \$ 4,407.12    | \$ 4,724.09    | \$ 5,063.87    | \$ 5,428.08    |                |  |
| Annual Growth Rate                |                | 4.78%          | 7.19%          | 7.19%          | 7.19%          |                |  |
| Growth 2006 to 2010               |                |                |                |                | 29.05%         |                |  |
| Total Cost                        | \$ 410,261,043 | \$ 450,332,743 | \$ 506,885,409 | \$ 570,536,105 | \$ 642,185,289 |                |  |
| Annual Growth Rate                |                | 9.77%          | 12.56%         | 12.56%         | 12.56%         |                |  |
| Growth 2006 to 2010               |                |                |                |                | 56.53%         |                |  |
|                                   |                |                |                |                |                |                |  |
| <b>&lt;133%FPL-With Waiver</b>    | <b>2006</b>    | <b>2007</b>    | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    |                |  |
| <b>Projections: 2006-2010</b>     |                |                |                |                |                |                |  |
| Enrollment                        | 97,540         | 102,183        | 107,298        | 112,668        | 118,308        |                |  |
| Annual Growth Rate                |                | 4.76%          | 5.01%          | 5.00%          | 5.01%          |                |  |
| Growth 2006 to 2010               |                |                |                |                | 21.29%         |                |  |
| Average Cost                      | \$ 4,206.48    | \$ 4,186.79    | \$ 4,369.83    | \$ 4,557.54    | \$ 4,885.34    |                |  |
| Annual Growth Rate                |                | -0.47%         | 4.37%          | 4.30%          | 7.19%          |                |  |
| Growth 2006 to 2010               |                |                |                |                | 16.14%         |                |  |
| Total Cost                        | \$ 410,300,059 | \$ 427,818,763 | \$ 468,874,019 | \$ 513,488,917 | \$ 577,974,805 |                |  |
| Annual Growth Rate                |                | 4.27%          | 9.60%          | 9.52%          | 12.56%         |                |  |
| Growth 2006 to 2010               |                |                |                |                | 40.87%         |                |  |
|                                   |                |                |                |                |                |                |  |

|                                    |               |               |               |               |               |               |  |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|--|
| <b>&gt;133% FPL-Historical</b>     | <b>2000</b>   | <b>2001</b>   | <b>2002</b>   | <b>2003</b>   | <b>2004</b>   | <b>2005</b>   |  |
| <b>Historical: 2000-2005</b>       |               |               |               |               |               |               |  |
| Enrollment                         | 9,494         | 9,299         | 10,625        | 11,878        | 12,629        | 13,230        |  |
| Annual Growth Rate                 |               | -2.05%        | 14.26%        | 11.79%        | 6.32%         | 4.76%         |  |
| Growth 2000 to 2005                |               |               |               |               |               | 39.35%        |  |
| Average Cost                       | \$ 1,214.30   | \$ 1,357.68   | \$ 1,321.92   | \$ 1,391.40   | \$ 1,409.64   | \$ 1,542.84   |  |
| Annual Growth Rate                 |               | 11.81%        | -2.63%        | 5.26%         | 1.31%         | 9.45%         |  |
| Growth 2000 to 2005                |               |               |               |               |               | 27.06%        |  |
| Total Cost                         | \$ 11,528,564 | \$ 12,625,066 | \$ 14,045,400 | \$ 16,527,049 | \$ 17,802,344 | \$ 20,411,773 |  |
| Annual Growth Rate                 |               | 9.51%         | 11.25%        | 17.67%        | 7.72%         | 14.66%        |  |
| Growth 2000 to 2005                |               |               |               |               |               | 77.05%        |  |
| <b>&gt;133% FPL-Without Waiver</b> | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |               |  |
| <b>Projections: 2006-2010</b>      |               |               |               |               |               |               |  |
| Enrollment                         | 13,860        | 14,520        | 15,445        | 16,429        | 17,476        |               |  |
| Annual Growth Rate                 |               | 4.76%         | 6.37%         | 6.37%         | 6.37%         |               |  |
| Growth 2006 to 2010                |               |               |               |               | 26.09%        |               |  |
| Average Cost                       | \$ 1,710.72   | \$ 1,794.72   | \$ 1,899.79   | \$ 2,011.02   | \$ 2,128.75   |               |  |
| Annual Growth Rate                 |               | 4.91%         | 5.85%         | 5.85%         | 5.85%         |               |  |
| Growth 2006 to 2010                |               |               |               |               | 24.44%        |               |  |
| Total Cost                         | \$ 23,710,579 | \$ 26,059,334 | \$ 29,342,257 | \$ 33,039,048 | \$ 37,202,035 |               |  |
| Annual Growth Rate                 |               | 9.91%         | 12.60%        | 12.60%        | 12.60%        |               |  |
| Growth 2006 to 2010                |               |               |               |               | 56.90%        |               |  |
| <b>&gt;133% FPL-With Waiver</b>    | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |               |  |
| <b>Projections: 2006-2010</b>      |               |               |               |               |               |               |  |
| Enrollment                         | 13,860        | 14,520        | 15,445        | 16,429        | 17,476        |               |  |
| Annual Growth Rate                 |               | 4.76%         | 6.37%         | 6.37%         | 6.37%         |               |  |
| Growth 2006 to 2010                |               |               |               |               | 26.09%        |               |  |
| Average Cost                       | \$ 1,710.72   | \$ 1,672.37   | \$ 1,640.76   | \$ 1,736.82   | \$ 1,838.50   |               |  |
| Annual Growth Rate                 |               | -2.24%        | -1.89%        | 5.85%         | 5.85%         |               |  |
| Growth 2006 to 2010                |               |               |               |               | 7.47%         |               |  |
| Total Cost                         | \$ 23,710,579 | \$ 24,282,812 | \$ 25,341,538 | \$ 28,534,216 | \$ 32,129,626 |               |  |
| Annual Growth Rate                 |               | 2.41%         | 4.36%         | 12.60%        | 12.60%        |               |  |
| Growth 2006 to 2010                |               |               |               |               | 35.51%        |               |  |

|                                  |              |              |              |              |              |  |  |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--|--|
|                                  |              |              |              |              |              |  |  |
| <b>New_Pregnant_Women_Waiver</b> | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  |  |  |
| <b>Projections: 2006-2010</b>    |              |              |              |              |              |  |  |
| Enrollment                       | 900          | 990          | 1,089        | 1,198        | 1,318        |  |  |
| Annual Growth Rate               |              | 10.00%       | 10.00%       | 10.01%       | 10.02%       |  |  |
| Growth 2006 to 2010              |              |              |              |              | 46.44%       |  |  |
| Average Cost                     | \$ 4,050.00  | \$ 4,374.00  | \$ 4,723.92  | \$ 5,101.83  | \$ 5,509.98  |  |  |
| Annual Growth Rate               |              | 8.00%        | 8.00%        | 8.00%        | 8.00%        |  |  |
| Growth 2006 to 2010              |              |              |              |              | 36.05%       |  |  |
| Total Cost                       | \$ 3,645,000 | \$ 4,330,260 | \$ 5,144,349 | \$ 6,111,992 | \$ 7,262,154 |  |  |
| Annual Growth Rate               |              | 18.80%       | 18.80%       | 18.81%       | 18.82%       |  |  |
| Growth 2006 to 2010              |              |              |              |              | 99.24%       |  |  |
|                                  |              |              |              |              |              |  |  |
|                                  |              |              |              |              |              |  |  |

|  |                 |                |                |                |                |                |
|--|-----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Updated</b>                               | <b>1/5/2005</b> |                |                |                |                |                |
| <b>DS and BH</b>                             |                 |                |                |                |                |                |
| <b>Developmental Services-Historical</b>     | <b>2000</b>     | <b>2001</b>    | <b>2002</b>    | <b>2003</b>    | <b>2004</b>    | <b>2005</b>    |
| <b>Historical: 2000-2005</b>                 |                 |                |                |                |                |                |
| Enrollment                                   | 5,151           | 5,726          | 6,234          | 6,388          | 6,696          | 7,147          |
| Annual Growth Rate                           |                 | 11.16%         | 8.87%          | 2.47%          | 4.82%          | 6.74%          |
| Growth 2000 to 2005                          |                 |                |                |                |                | 38.75%         |
| Average Cost                                 | \$ 23,688.79    | \$ 21,929.96   | \$ 20,899.56   | \$ 20,790.51   | \$ 21,575.59   | \$ 21,949.46   |
| Annual Growth Rate                           |                 | -7.42%         | -4.70%         | -0.52%         | 3.78%          | 1.73%          |
| Growth 2000 to 2005                          |                 |                |                |                |                | -7.34%         |
| Total Cost                                   | \$ 122,020,957  | \$ 125,570,951 | \$ 130,287,857 | \$ 132,809,778 | \$ 144,470,151 | \$ 156,872,791 |
| Annual Growth Rate                           |                 | 2.91%          | 3.76%          | 1.94%          | 8.78%          | 8.58%          |
| Growth 2000 to 2005                          |                 |                |                |                |                | 28.56%         |
|  |                 |                |                |                |                |                |
| <b>Developmental Services-Without Waiver</b> | <b>2006</b>     | <b>2007</b>    | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    |                |
| <b>Projections: 2006-2010</b>                |                 |                |                |                |                |                |
| Enrollment                                   | 7,753           | 8,205          | 8,772          | 9,378          | 10,026         |                |
| Annual Growth Rate                           |                 | 5.83%          | 6.91%          | 6.91%          | 6.91%          |                |
| Growth 2006 to 2010                          |                 |                |                |                | 29.32%         |                |
| Average Cost                                 | \$ 20,206.00    | \$ 21,060.00   | \$ 21,944.52   | \$ 22,866.19   | \$ 23,826.57   |                |
| Annual Growth Rate                           |                 | 4.23%          | 4.20%          | 4.20%          | 4.20%          |                |
| Growth 2006 to 2010                          |                 |                |                |                | 17.92%         |                |
| Total Cost                                   | \$ 156,657,118  | \$ 172,797,300 | \$ 192,497,329 | \$ 214,439,130 | \$ 238,885,191 |                |
| Annual Growth Rate                           |                 | 10.30%         | 11.40%         | 11.40%         | 11.40%         |                |
| Growth 2006 to 2010                          |                 |                |                |                | 52.49%         |                |
|  |                 |                |                |                |                |                |
| <b>Developmental Services-With Waiver</b>    | <b>2006</b>     | <b>2007</b>    | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    |                |
| <b>Projections: 2006-2010</b>                |                 |                |                |                |                |                |
| Enrollment                                   | 7,753           | 8,205          | 8,772          | 9,378          | 10,026         |                |
| Annual Growth Rate                           |                 | 5.83%          | 6.91%          | 6.91%          | 6.91%          |                |
| Growth 2006 to 2010                          |                 |                |                |                | 29.32%         |                |
| Average Cost                                 | \$ 19,801.88    | \$ 20,217.60   | \$ 20,847.29   | \$ 21,722.88   | \$ 22,635.24   |                |
| Annual Growth Rate                           |                 | 2.10%          | 3.11%          | 4.20%          | 4.20%          |                |
| Growth 2006 to 2010                          |                 |                |                |                | 14.31%         |                |
| Total Cost                                   | \$ 153,523,976  | \$ 165,885,408 | \$ 182,872,428 | \$ 203,717,169 | \$ 226,940,916 |                |
| Annual Growth Rate                           |                 | 8.05%          | 10.24%         | 11.40%         | 11.40%         |                |
| Growth 2006 to 2010                          |                 |                |                |                | 47.82%         |                |
|  |                 |                |                |                |                |                |
|  |                 |                |                |                |                |                |

| <b>Medicaid to Schools-Historical</b>     | <b>2000</b>   | <b>2001</b>   | <b>2002</b>   | <b>2003</b>   | <b>2004</b>   | <b>2005</b>   |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Historical: 2000-2005</b>              |               |               |               |               |               |               |
| Enrollment                                | 7,273         | 6,493         | 6,924         | 7,738         | 7,619         | 8,400         |
| Annual Growth Rate                        |               | -10.72%       | 6.64%         | 11.76%        | -1.54%        | 10.25%        |
| Growth 2000 to 2005                       |               |               |               |               |               | 15.50%        |
| Average Cost                              | \$ 3,983.56   | \$ 4,097.93   | \$ 3,214.59   | \$ 3,440.48   | \$ 3,926.13   | \$ 4,047.62   |
| Annual Growth Rate                        |               | 2.87%         | -21.56%       | 7.03%         | 14.12%        | 3.09%         |
| Growth 2000 to 2005                       |               |               |               |               |               | 1.61%         |
| Total Cost                                | \$ 28,972,432 | \$ 26,607,859 | \$ 22,257,821 | \$ 26,622,434 | \$ 29,913,184 | \$ 34,000,008 |
| Annual Growth Rate                        |               | -8.16%        | -16.35%       | 19.61%        | 12.36%        | 13.66%        |
| Growth 2000 to 2005                       |               |               |               |               |               | 17.35%        |
|   |               |               |               |               |               |               |
| <b>Medicaid to Schools-Without Waiver</b> | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |               |
| <b>Projections: 2006-2010</b>             |               |               |               |               |               |               |
| Enrollment                                | 8,550         | 9,250         | 9,598         | 9,960         | 10,335        |               |
| Annual Growth Rate                        |               | 8.19%         | 3.76%         | 3.77%         | 3.77%         |               |
| Growth 2006 to 2010                       |               |               |               |               | 20.88%        |               |
| Average Cost                              | \$ 4,163.74   | \$ 4,108.11   | \$ 4,280.65   | \$ 4,460.44   | \$ 4,647.77   |               |
| Annual Growth Rate                        |               | -1.34%        | 4.20%         | 4.20%         | 4.20%         |               |
| Growth 2006 to 2010                       |               |               |               |               | 11.62%        |               |
| Total Cost                                | \$ 35,599,977 | \$ 38,000,018 | \$ 41,085,679 | \$ 44,425,982 | \$ 48,034,703 |               |
| Annual Growth Rate                        |               | 6.74%         | 8.12%         | 8.13%         | 8.12%         |               |
| Growth 2006 to 2010                       |               |               |               |               | 34.93%        |               |
|   |               |               |               |               |               |               |
| <b>Medicaid to Schools-With Waiver</b>    | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>   |               |
| <b>Projections: 2006-2010</b>             |               |               |               |               |               |               |
| Enrollment                                | 8,550         | 9,250         | 9,598         | 9,960         | 10,335        |               |
| Annual Growth Rate                        |               | 8.19%         | 3.76%         | 3.77%         | 3.77%         |               |
| Growth 2006 to 2010                       |               |               |               |               | 20.88%        |               |
| Average Cost                              | \$ 4,080.47   | \$ 3,943.78   | \$ 4,066.62   | \$ 4,237.41   | \$ 4,415.39   |               |
| Annual Growth Rate                        |               | -3.35%        | 3.11%         | 4.20%         | 4.20%         |               |
| Growth 2006 to 2010                       |               |               |               |               | 8.21%         |               |
| Total Cost                                | \$ 34,888,019 | \$ 36,479,965 | \$ 39,031,419 | \$ 42,204,604 | \$ 45,633,056 |               |
| Annual Growth Rate                        |               | 4.56%         | 6.99%         | 8.13%         | 8.12%         |               |
| Growth 2006 to 2010                       |               |               |               |               | 30.80%        |               |
|   |               |               |               |               |               |               |
|   |               |               |               |               |               |               |



| <b>CMHC-Historical</b>        | <b>2000</b>   | <b>2001</b>   | <b>2002</b>   | <b>2003</b>   | <b>2004</b>    | <b>2005</b>   |
|-------------------------------|---------------|---------------|---------------|---------------|----------------|---------------|
| <b>Historical: 2000-2005</b>  |               |               |               |               |                |               |
| Enrollment                    | 18,087        | 18,278        | 14,940        | 12,873        | 14,416         | 14,473        |
| Annual Growth Rate            |               | 1.06%         | -18.26%       | -13.84%       | 11.99%         | 0.40%         |
| Growth 2000 to 2005           |               |               |               |               |                | -19.98%       |
| Average Cost                  | \$ 3,791.00   | \$ 3,940.00   | \$ 5,195.00   | \$ 5,536.00   | \$ 5,026.00    | \$ 5,011.00   |
| Annual Growth Rate            |               | 3.93%         | 31.85%        | 6.56%         | -9.21%         | -0.30%        |
| Growth 2000 to 2005           |               |               |               |               |                | 32.18%        |
| Total Cost                    | \$ 68,567,817 | \$ 72,015,320 | \$ 77,613,300 | \$ 71,264,928 | \$ 72,454,816  | \$ 72,524,203 |
| Annual Growth Rate            |               | 5.03%         | 7.77%         | -8.18%        | 1.67%          | 0.10%         |
| Growth 2000 to 2005           |               |               |               |               |                | 5.77%         |
|                               |               |               |               |               |                |               |
| <b>CMHC-Without Waiver</b>    | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>    |               |
| <b>Projections: 2006-2010</b> |               |               |               |               |                |               |
| Enrollment                    | 14,896        | 15,317        | 16,188        | 17,109        | 18,082         |               |
| Annual Growth Rate            |               | 2.83%         | 5.69%         | 5.69%         | 5.69%          |               |
| Growth 2006 to 2010           |               |               |               |               | 21.39%         |               |
| Average Cost                  | \$ 5,092.00   | \$ 5,180.00   | \$ 5,447.74   | \$ 5,723.32   | \$ 6,025.45    |               |
| Annual Growth Rate            |               | 1.73%         | 5.17%         | 5.06%         | 5.28%          |               |
| Growth 2006 to 2010           |               |               |               |               | 18.33%         |               |
| Total Cost                    | \$ 75,850,432 | \$ 79,342,060 | \$ 88,188,015 | \$ 97,920,282 | \$ 108,952,187 |               |
| Annual Growth Rate            |               | 4.60%         | 11.15%        | 11.04%        | 11.27%         |               |
| Growth 2006 to 2010           |               |               |               |               | 43.64%         |               |
|                               |               |               |               |               |                |               |
| <b>CMHC-With Waiver</b>       | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   | <b>2010</b>    |               |
| <b>Projections: 2006-2010</b> |               |               |               |               |                |               |
| Enrollment                    | 14,896        | 15,317        | 16,188        | 17,109        | 18,082         |               |
| Annual Growth Rate            |               | 2.83%         | 5.69%         | 5.69%         | 5.69%          |               |
| Growth 2006 to 2010           |               |               |               |               | 21.39%         |               |
| Average Cost                  | \$ 4,990.16   | \$ 4,972.80   | \$ 5,175.35   | \$ 5,442.85   | \$ 5,724.18    |               |
| Annual Growth Rate            |               | -0.35%        | 4.07%         | 5.17%         | 5.17%          |               |
| Growth 2006 to 2010           |               |               |               |               | 14.71%         |               |
| Total Cost                    | \$ 74,333,423 | \$ 76,168,378 | \$ 83,778,566 | \$ 93,121,721 | \$ 103,504,623 |               |
| Annual Growth Rate            |               | 2.47%         | 9.99%         | 11.15%        | 11.15%         |               |
| Growth 2006 to 2010           |               |               |               |               | 39.24%         |               |
|                               |               |               |               |               |                |               |

|                               |                     |                      |                      |                      |                      |
|-------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Updated</b>                | <b>1/5/2005</b>     |                      |                      |                      |                      |
| <b>Summary of Investments</b> |                     |                      |                      |                      |                      |
|                               | <b>2006</b>         | <b>2070</b>          | <b>2008</b>          | <b>2009</b>          | <b>2010</b>          |
| H.S.A. Incentives             | \$ 1,331,000        | \$ 2,826,375         | \$ 3,043,164         | \$ 3,277,436         | \$ 3,530,672         |
| PCCM                          | \$ -                | \$ 6,738,876         | \$ 7,407,282         | \$ 8,143,157         | \$ 8,953,471         |
| IT                            | \$ 3,000,000        | \$ 5,000,000         | \$ 5,000,000         | \$ 5,000,000         | \$ 5,000,000         |
| SPE                           | \$ 1,500,000        | \$ 3,000,000         | \$ 3,000,000         | \$ 3,000,000         | \$ 3,000,000         |
| EBP Reimbursement             | \$ 1,500,000        | \$ 1,300,000         | \$ 1,300,000         | \$ -                 | \$ -                 |
| Community Infrastructure      | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Elder Care prevention         | \$ 937,500          | \$ 1,465,313         | \$ 1,526,856         | \$ 1,909,180         | \$ 2,210,406         |
| Pay for Performance           | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| <b>Total Investments</b>      | <b>\$ 8,268,500</b> | <b>\$ 20,330,564</b> | <b>\$ 21,277,302</b> | <b>\$ 21,329,773</b> | <b>\$ 22,694,549</b> |
| <b>Total Investment</b>       |                     |                      |                      |                      | <b>\$ 93,900,688</b> |

|   |                 |                  |                  |                  |                  |                  |
|---|-----------------|------------------|------------------|------------------|------------------|------------------|
| <b>Updated</b>                                  | <b>1/5/2005</b> |                  |                  |                  |                  |                  |
| <b>GraniteCare Summary</b>                      |                 |                  |                  |                  |                  |                  |
| <b>Year</b>                                     |                 | <b>2006</b>      | <b>2007</b>      | <b>2008</b>      | <b>2009</b>      | <b>2010</b>      |
| <b>Total Program Without Waiver</b>             |                 | \$ 1,030,493,423 | \$ 1,109,529,473 | \$ 1,235,067,659 | \$ 1,375,227,877 | \$ 1,532,556,422 |
| <b>Total Program With Waiver</b>                |                 | \$ 1,022,167,250 | \$ 1,063,253,806 | \$ 1,164,620,302 | \$ 1,261,324,305 | \$ 1,394,519,673 |
| <b>Medical Cost Savings Yearly</b>              |                 | \$ 8,326,174     | \$ 46,275,668    | \$ 70,447,357    | \$ 113,903,572   | \$ 138,036,748   |
| <b>Medical Cost Savings Cumulative</b>          |                 | \$ 8,326,174     | \$ 54,601,841    | \$ 125,049,198   | \$ 238,952,771   | \$ 376,989,519   |
| <b>Investment Costs</b>                         |                 |                  |                  |                  |                  |                  |
| <b>Health Services Accounts Incentives</b>      |                 | \$ 1,331,000     | \$ 2,826,375     | \$ 3,043,164     | \$ 3,277,436     | \$ 3,530,672     |
| <b>PCCM</b>                                     |                 | \$ -             | \$ 6,738,876     | \$ 7,407,282     | \$ 8,143,157     | \$ 8,953,471     |
| <b>Information Technology</b>                   |                 | \$ 3,000,000     | \$ 5,000,000     | \$ 5,000,000     | \$ 5,000,000     | \$ 5,000,000     |
| <b>Single Point of Entry</b>                    |                 | \$ 1,500,000     | \$ 3,000,000     | \$ 3,000,000     | \$ 3,000,000     | \$ 3,000,000     |
| <b>Evidence Based Practice</b>                  |                 | \$ 1,500,000     | \$ 1,300,000     | \$ 1,300,000     | \$ -             | \$ -             |
| <b>Elder Care Prevention</b>                    |                 | \$ 937,500       | \$ 1,465,313     | \$ 1,526,856     | \$ 1,909,180     | \$ 2,210,406     |
| <b>Total Investment Costs</b>                   |                 | \$ 8,268,500     | \$ 20,330,564    | \$ 21,277,302    | \$ 21,329,773    | \$ 22,694,549    |
| <b>Total with Waiver &amp; Investment Costs</b> |                 | \$ 1,030,435,750 | \$ 1,083,584,370 | \$ 1,185,897,604 | \$ 1,282,654,078 | \$ 1,417,214,222 |
| <b>Net Yearly Savings</b>                       |                 | \$ 57,674        | \$ 25,945,104    | \$ 49,170,055    | \$ 92,573,799    | \$ 115,342,199   |
| <b>Cumulative Savings</b>                       |                 | \$ 57,674        | \$ 26,002,777    | \$ 75,172,832    | \$ 167,746,632   | \$ 283,088,831   |
|   |                 |                  |                  |                  |                  |                  |
|   |                 |                  |                  |                  |                  |                  |
|   |                 |                  |                  |                  |                  |                  |
|   |                 |                  |                  |                  |                  |                  |

| Updated                 | 1/5/05                |                            |                         |                  |                         |                           |                  |                           |
|-------------------------|-----------------------|----------------------------|-------------------------|------------------|-------------------------|---------------------------|------------------|---------------------------|
| Total Dollars Segment   | Totals in 2005        | Historical Growth 00 - '05 | 2006 Projections "WOW"  | Projected Growth | 2010 Projections "WOW"  | 2006 Projection w/ Waiver | Projected Growth | 2010 Projections w/Waiver |
| SCHIP                   | \$ 8,424,736          | 312.11%                    | \$ 10,764,056           | 119.02%          | \$ 23,575,818           | \$ 10,764,056             | 89.16%           | \$ 20,361,271             |
| POP > 133% FPL          | \$ 20,411,773         | 77.05%                     | \$ 23,710,579           | 56.90%           | \$ 37,202,035           | \$ 23,710,579             | 35.51%           | \$ 32,129,626             |
| POP < 133% FPL          | \$ 353,221,957        | 78.99%                     | \$ 410,261,043          | 56.53%           | \$ 642,185,289          | \$ 410,300,059            | 40.87%           | \$ 577,974,805            |
|                         |                       |                            |                         |                  |                         |                           |                  |                           |
| Nursing Home            | \$ 237,426,900        | 78.99%                     | \$ 238,065,500          | 30.11%           | \$ 309,755,732          | \$ 226,174,560            | -4.13%           | \$ 216,829,012            |
| Mid-Level               | \$ 2,331,117          | 1165.37%                   | \$ 3,555,452            | 103.91%          | \$ 7,249,802            | \$ 3,555,452              | 125.65%          | \$ 8,022,835              |
| HCBC                    | \$ 27,674,640         | 86.00%                     | \$ 29,111,670           | 52.16%           | \$ 44,297,538           | \$ 34,354,530             | 144.74%          | \$ 84,078,569             |
| Other Nursing Homes     | \$ 4,057,300          | 74.33%                     | \$ 4,024,419            | 28.10%           | \$ 5,155,257            | \$ 4,024,419              | 28.10%           | \$ 5,155,257              |
|                         |                       |                            |                         |                  |                         |                           |                  |                           |
| Developmental Services  | \$ 156,872,791        | 28.56%                     | \$ 156,657,118          | 52.49%           | \$ 238,885,191          | \$ 153,523,976            | 47.82%           | \$ 226,940,916            |
| Medicaid to Schools     | \$ 34,000,008         | 17.35%                     | \$ 35,599,977           | 34.93%           | \$ 48,034,703           | \$ 34,888,019             | 30.80%           | \$ 45,633,056             |
| Community Mental Health | \$ 72,524,203         | 5.77%                      | \$ 75,850,432           | 43.64%           | \$ 108,952,187          | \$ 74,333,423             | 39.24%           | \$ 103,504,623            |
|                         |                       |                            |                         |                  |                         |                           |                  |                           |
| NHH_APS/Philbrook       | \$ 3,116,668          | 133.47%                    | \$ 3,645,708            | 36.83%           | \$ 4,988,366            | \$ 3,645,708              | 36.83%           | \$ 4,988,366              |
| NHH_THS                 | \$ 2,838,818          | 68.80%                     | \$ 3,257,660            | 39.00%           | \$ 4,528,224            | \$ 3,257,660              | 39.00%           | \$ 4,528,224              |
| Glencliff               | \$ 7,514,764          | -9.96%                     | \$ 7,452,648            | 21.48%           | \$ 9,053,323            | \$ 7,452,648              | 12.95%           | \$ 8,418,002              |
|                         |                       |                            |                         |                  |                         |                           |                  |                           |
| Childrens Services      | \$ 26,137,166         | 142.96%                    | \$ 28,537,160           | 70.63%           | \$ 48,692,958           | \$ 28,537,160             | 70.63%           | \$ 48,692,958             |
|                         |                       |                            |                         |                  |                         |                           |                  |                           |
| New_Pregnant Women      | \$ -                  |                            | \$ -                    |                  | \$ -                    | \$ 3,645,000              | 99.24%           | \$ 7,262,154              |
|                         |                       |                            |                         |                  |                         |                           |                  |                           |
| <b>Total</b>            | <b>\$ 956,552,842</b> |                            | <b>\$ 1,030,493,423</b> |                  | <b>\$ 1,532,556,422</b> | <b>\$ 1,022,167,250</b>   |                  | <b>\$ 1,394,519,673</b>   |
|                         |                       |                            |                         |                  |                         |                           |                  |                           |
|                         |                       |                            |                         |                  |                         |                           |                  |                           |
|                         |                       |                            |                         |                  |                         |                           |                  |                           |
|                         |                       |                            |                         |                  |                         |                           |                  |                           |